RECEIVED
DEPT OF BUSINESS OVERSIGHT
SAN FRANCISCO

2019 APR 15 PM 12: 14

FRANCHISE DISCLOSURE DOCUMENT

Mountain Mike's Pizza, LLC
A Delaware limited liability company
24 Corporate Plaza, Suite 100
Newport Beach, CA 92660
(949) 438-1201
contact@mountainmikespizza.com
www.mountainmikespizza.com

The franchise offered is to operate a "MOUNTAIN MIKE'S®" restaurant selling pizza, sandwiches, salads, and other food products and services.

The total investment necessary to begin operation of a Mountain Mike's Pizza Restaurant ranges from $208,020 to $593,520. This includes $19,000 to $34,000 that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Mountain Mike's Pizza, LLC, 24 Corporate Plaza, Suite 100, Newport Beach, CA 92660, (949) 438-1201.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance date of this Franchise Disclosure Document: April 12, 2019

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit E for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN OUR HOME STATE (CURRENTLY CALIFORNIA). OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN OUR HOME STATE THAN IN YOUR OWN STATE.

2. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective date of this Franchise Disclosure Document in California: _____, 2019

TABLE OF CONTENTS

ITEM	PAGE
ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	3
ITEM 2 BUSINESS EXPERIENCE	5
ITEM 3 LITIGATION	7
ITEM 4 BANKRUPTCY	7
ITEM 5 INITIAL FEES	7
ITEM 6 OTHER FEES	8
ITEM 7 ESTIMATED INITIAL INVESTMENT	14
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	16
ITEM 9 FRANCHISEE'S OBLIGATIONS	20
ITEM 10 FINANCING	21
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	21
ITEM 12 TERRITORY	31
ITEM 13 TRADEMARKS	32
ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	34
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	35
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	36
ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	36
ITEM 18 PUBLIC FIGURES	42
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS	42
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION	45
ITEM 21 FINANCIAL STATEMENTS	48

ITEM 22 CONTRACTS 48

ITEM 23 RECEIPTS 48

EXHIBITS

Exhibit A	Financial Statements
Exhibit B	Franchise Agreement
Exhibit C	Collateral Assignment of Lease
Exhibit D	Principal's Agreement
Exhibit E	List of State Agencies/Agents for Service of Process
Exhibit F	Operations Manual Table of Contents
Exhibit G	List of Franchisees
Exhibit H	Bank Account Debit Authorization
Exhibit I	List of Franchisees Who Left System
Exhibit J	Renewal Rider to Franchise Agreement
Exhibit K	Franchisee Representations
Exhibit L	Adora Point-of-Sale System Service (SaaS) Agreement

APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN AN ADDENDUM.

Item 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

"MMP" means the franchisor, Mountain Mike's Pizza, LLC. "You" means the person to whom MMP grants a franchise. If you are a corporation, limited liability company, or other entity, all of your owners must sign MMP's "Guaranty and Assumption of Obligations," which means all provisions of MMP's Franchise Agreement (Exhibit B) also will apply to your owners. (See Item 15).

MMP is a Delaware limited liability company organized on February 22, 2017. Its principal business address is 24 Corporate Plaza, Suite 100, Newport Beach, CA 92660. If MMP has an agent in your state for service of process, MMP discloses that agent in Exhibit E. MMP operates under its corporate name and the service marks "Mountain Mike's®" Pizza and associated logo (the "Marks") and no other name. (See Item 13)

MMP's predecessor is Concept Acquisitions, LLC ("COAC"), a California limited liability company with its principal business address at 326 Evansdale Road, Lake Mary, Florida 32746. COAC offered franchises for restaurants operating under the "Mountain Mike's Pizza" name from approximately June 2000 to April 4, 2017, the date when MMP acquired substantially all of COAC's assets under an Asset Purchase Agreement (the "Transaction"). (MMP calls these restaurants, which are offered through this disclosure document, "Mountain Mike's Pizza Restaurants"; in this disclosure document, MMP calls your prospective Mountain Mike's Pizza Restaurant the "Restaurant.") COAC also offered franchises for Mountain Mike's development agent rights (which MMP offers through a separate disclosure document) on and off between 2004 and 2006, September 2010 and January 2011 and August 2016 and the date the Transaction closed.

When the Transaction closed, MMP became a wholly owned subsidiary of MMP Intermediate, LLC ("MMPIL"). MMPIL is a wholly owned subsidiary of MM Pizza Holdings, LLC ("MMPH"). MMPIL and MMPH are Delaware limited liability companies and their principal business address is 24 Corporate Plaza, Suite 100, Newport Beach, CA 92660.

Through common control with MMP's Co-Chief Executive Officers and Directors, Chris L. Britt and Edmond F. St. Geme, MMP is affiliated with SJB Brands, LLC ("SJB"), the franchisor of JUICE IT UP® juice bars. JUICE IT UP® juice bars feature fresh squeezed and cold-pressed bottled juices, smoothies and smoothie bowls, superfruit bowls, and complimentary snacks and beverages. SJB has been offering franchises for JUICE IT UP® juice bars since February 2018. As of December 29, 2018, there were 83 franchised JUICE IT UP® juice bars in operation in the United States. SJB has never offered franchises in any other line of business. SJB's principal business address is 17915 Sky Park Circle, Suite J, Irvine, CA 92614.

MMP wholly owns MMP Regional Promotion Fund Inc. ("MMP Regional Fund") and MMP National Promotion Fund Inc. ("MMP National Fund"), both with principal business addresses at 24 Corporate Plaza, Suite 100, Newport Beach, CA 92660. MMP Regional Fund currently maintains and administers each regional advertising Cooperative's account and MMP National Fund currently maintains and administers the national Marketing Fund (see Item 11).

Other than MMP Regional Fund and MMP National Fund, MMP has no affiliates that provide products or services to MMP's franchisees.

Except as described above, MMP has no other parents, predecessors of affiliates that must be included in this Item.

The Franchise Offered

MMP grants franchises for Mountain Mike's Pizza Restaurants. Mountain Mike's Pizza Restaurants feature pizza but also sell other food products. You will offer most of your food products and services at the Restaurant itself, although you may provide catering and certain delivery services away from the Restaurant's premises if MMP approves you to offer catering and delivery services.

MMP allows certain past and current franchisees to represent it as development agents within defined geographic areas. If you are not a development agent, MMP will have a development agent perform some or all of the training and provide other assistance you need to operate your Restaurant. However, MMP must make sure the development agent performs its obligations.

If you are renewing your Restaurant's franchise because its initial term has expired or will soon expire, you will sign MMP's Renewal Rider to Franchise Agreement (Exhibit J), which modifies certain provisions in the Franchise Agreement that do not apply to you because your Restaurant already is open.

MMP has offered franchises for Mountain Mike's Pizza Restaurants since the Transaction closed on April 4, 2017. MMP currently does not operate any Mountain Mike's Pizza Restaurants.

MMP has offered franchises for Mountain Mike's development agent rights since the Transaction closed on April 4, 2017, and uses a separate franchise disclosure document for that franchise offering. A development agent acts as a sales representative within a defined territory to solicit and identify prospective franchisees, to assist in locating and securing sites for Mountain Mike's Pizza Restaurants within that territory, and to provide additional support before, during, and after the Restaurants open. The development agent performs those functions at MMP's direction and operates under MMP's Development Agent Agreement. As of MMP's last fiscal year end, there were 5 development agents in operation. MMP never has operated any Mountain Mike's development agent businesses. MMP does not have other business activities and has not offered franchises in other lines of business.

Competition and Industry Regulations

You will compete with other "pizza restaurants," fast food restaurants, full service restaurants, grocery and specialty stores, and similar businesses selling pizza and competitive food products. You will offer your products and services to the general public throughout the year. The market for pizza and restaurant services generally is well-developed and competitive

in most parts of the country, although MMP believes its product quality distinguishes it from other restaurants.

There are no regulations specific to the industry in which Mountain Mike's Pizza Restaurants operate, although you must comply with all local, state, and federal health and sanitation laws that apply to restaurant operations and laws that apply generally to all businesses. If you want to sell beer and wine at your Restaurant, you must obtain a liquor license or other authorization from the appropriate government authority and comply with all federal, state, and local alcoholic beverage laws. You should investigate all of these laws.

Item 2
BUSINESS EXPERIENCE

Co-Chief Executive Officer and Director: Chris L. Britt

Mr. Britt has been a Co-Chief Executive Officer and Director of MMP since the Transaction closed in April 2017. Mr. Britt has also been the Managing Member of Britt Private Capital, LLC since April 2017, a Managing Partner of Marwit Capital, Marwit Investment Management, LLC and related entities since 1994, and the Co-Chairman and Chief Financial Officer of SJB Brands, LLC (d/b/a JUICE IT UP®) since February 2018. All positions are based in Newport Beach, California.

Co-Chief Executive Officer and Director: Edmond F. St. Geme

Mr. St. Geme has been a Co-Chief Executive Officer and Director of MMP since the Transaction closed in April 2017. Mr. St. Geme has also been the Managing Member of Jupiter B-II LLC since December 2012, the Managing Member of Jupiter Holdings LLC since October 1997, and the Co-Chairman and Treasurer of SJB Brands, LLC (d/b/a JUICE IT UP®) since February 2018. All positions are based in Newport Beach, California.

President and Chief Operating Officer: Jim Metevier

Mr. Metevier has been MMP's President and Chief Operating Officer since September 2018. From August 2015 to September 2016, he served as President for Biscuitville, Inc., based in Greensboro, North Carolina, and from June 1992 to April 2014, he served as Chief Operating Officer and in various other roles for Yum Brands, Inc., based in Louisville, Kentucky.

Director: Matt Frankel

Mr. Frankel has been a Director of MMP since the Transaction closed in April 2017. He has been a Partner of Levine Leichtman Capital Partners, Inc. in Beverly Hills, California since January 2018, with which he has been associated since February 2010.

Vice President of Finance: Niro Sivakumar

Mrs. Sivakumar has been the Vice President of Finance of MMP since January 2018. From August 2016 to December 2017, she was a Consultant at Capital Group for WinCorp

Solutions, based in Irvine, California, from January 2016 to July 2016, she was a Consultant at Young's Market Co. for Beacon Resources Group, based in Newport Beach, California, and from January 2014 to November 2015, she was a Finance Manager for Rakuten.com (Buy.com), based in Viejo, California.

Vice President of Operations: Kaitlynn Murphy

Ms. Murphy has been the Vice President of Operations of MMP since May 2017. From April 2017 to May 2017, she was MMP's Director of Operations. She was with COAC from January 2016 to April 2017, ending as Director of Operations. She is responsible for assisting development agents in proper policy and procedure administration relating to restaurant operations and assisting in product development and franchise sales. Ms. Murphy was an Analyst at Spencer Stuart in Chicago, Illinois from May 2014 to December 2015, an Assistant General Manager at Lettuce Entertain You Enterprises in Chicago, Illinois from January 2014 to May 2014, and a Senior Assistant Manager for Hillstone Restaurant Group in New York, New York, Los Angeles, California, and Orange County, California from June 2010 to January 2014.

Vice President of Marketing: Carol DeNembo

Ms. DeNembo has been the Vice President of Marketing of MMP since August 2018. From April 2015 to March 2018, she was Balboa Brands, Inc.'s Vice President of Business Development, from November 2014 to September 2015, she was Balboa Brands, Inc.'s Vice President of Marketing, and from February 2010 to November 2014, she was Balboa Brands, Inc.'s Sr. Director of Business Development & Marketing. All positions with Balboa Brands, Inc. were based in Irvine, California.

Development Agent: Alex Golshanara

Mr. Golshanara has been involved with the Mountain Mike's Pizza Restaurant system since 1982, when he opened his first franchised location in California. He currently operates no Restaurants. Mr. Golshanara has been a Mountain Mike's Pizza development agent in northern California since August 1993 and currently operates in 12 counties.

Development Agent: David Laursen

David Laursen has been involved with the Mountain Mike's Pizza Restaurant system since 1987, when he opened his first franchised location in California. He currently operates 1 Restaurant in California. Mr. Laursen has been a Mountain Mike's Pizza development agent since January 1994 and currently operates in 23 counties.

Development Agent: Maddox Development, Inc.

Maddox Development, Inc. ("MDI"), a California corporation, has been a Mountain Mike's Pizza development agent in northern California since November 1995. MDI's principals are John and Ann Maddox who, since 1992, have operated Restaurants in Modesto and Oakdale,

California. They currently operate 8 Restaurants. Mr. Maddox also has been President of Maddox Resources, Inc. in Modesto, California since 1996.

Development Agent: North Bay Franchise Management, Inc.

North Bay Franchise Management, Inc. ("NBFM"), a California corporation, has been a Mountain Mike's Pizza development agent in Northern California since June 2014. NBFM's principals are Bhupinder (Sonu) Singh and Ranjit Kaur. Mr. Singh has been Owner/General Manager of Santa Rosa Chandi Family Inc. in Santa Rosa, California since 2009. Mr. Kaur also has been Owner/General Manager of Santa Rosa Chandi Family Inc. since June 2010. Mr. Singh has been a Mountain Mike's Pizza franchisee (through affiliated entities) in California since 2007, currently owning 7 Restaurants.

Development Agent – Robofran Development, LLC

Robofran Development, LLC ("Robofran"), a Delaware LLC, has been a Mountain Mike's Pizza development agent in Riverside County, California and a portion of San Bernardino County, California since September 2017. Robofran's principal is Ravinder (Robby) Basati. Mr. Basati has been a Mountain Mike's Pizza franchisee (through affiliated entities) in California since 2007, currently owning 7 Restaurants.

Item 3
LITIGATION

No litigation is required to be disclosed in this Item.

Item 4
BANKRUPTCY

No bankruptcy proceedings are required to be disclosed in this Item.

Item 5
INITIAL FEES

MMP currently charges a $30,000 initial franchise fee if this is your first Mountain Mike's Pizza Restaurant. If you already own a controlling interest in another Mountain Mike's Pizza Restaurant, your initial franchise fee is only $15,000. You must pay the initial franchise fee in a lump sum when you sign the Franchise Agreement.

You must pay MMP a non-refundable $4,000 grand opening marketing fee when you sign the Franchise Agreement (including if you sign the Franchise Agreement in connection with a transfer). MMP will disburse this amount for the Restaurant's grand opening marketing program. If MMP exceeds $4,000 in expenses towards your grand opening, it will not charge you for the additional expenses. If MMP spends less than $4,000 towards your grand opening, you do not receive a refund of the difference. MMP will deposit the difference into the Marketing Fund.

Item 6
OTHER FEES

Column 1 Type of Fee[1]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Royalty	5% of Restaurant's weekly Gross Sales	Due by automatic debit each Wednesday[2]	"Gross Sales" means all revenue from operating the Restaurant (including proceeds of business interruption service, all rental income and the amounts charged to customers for menu items delivered by third party delivery service providers); it does not include taxes collected from customers and is reduced by customer refunds and credits (if the original payment was included in Gross Sales)[3]
Marketing Fund	Up to 1% of Restaurant's weekly Gross Sales	Due by automatic debit each Wednesday[2]	
Advertising Cooperatives[4]	Up to 2% of Restaurant's weekly Gross Sales (but franchisees may agree to pay more)	Due by automatic debit each Wednesday[2]	See Item 11 for important information
Additional Training or Assistance	$200-$1,200	15 days after billing	MMP trains 2 people free (see Item 11) - MMP may charge you for others attending initial training, for training newly-hired managers, for periodic refresher training courses, or for additional or special

Column 1 Type of Fee[1]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
			guidance, assistance, or training you need or request (MMP has not yet charged for this training). You are responsible for travel, living, and similar expenses for all training attendees
Transfer (Controlling Transfers)	$30,000 if a transfer to a new Mountain Mike's Pizza Restaurant franchisee and $15,000 if a transfer to an existing Mountain Mike's Pizza Restaurant franchisee	½ due with transfer request; other ½ due before transfer completed	Due when Franchise Agreement or a controlling ownership interest in you is transferred. No charge if Franchise Agreement transferred to an entity you control. Only ½ of transfer fee is refundable
Transfer (Non-Controlling Transfers)	$2,500	When you request transfer approval; the fee is not refundable	Due if your owners transfer non-controlling ownership interest in you
Marketing	$4,000	Before transfer completed	Due when Franchise Agreement or a controlling ownership interest in you is transferred.
Renewal	50% of MMP's then current initial franchise fee	When you sign successor franchise agreement	

Column 1 Type of Fee[1]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Audit	$500-$5,000, though actual amount could be much higher because it depends on extent of your non-compliance and our efforts required to detect that non-compliance	15 days after billing	Due if you understate the Restaurant's Gross Sales by more than 2% or do not furnish reports, supporting records, or other required information
Interest	Lesser of 1.5% per month or highest contract interest rate law allows	15 days after billing	Due on all overdue amounts that are more than 7 days late
Service Charge[5]	$100	15 days after billing	Due for each late payment and each late sales report, including weekly electronic and/or monthly hard copy reporting. If your equipment is capable of electronic information transfer, MMP will charge you this fee each time you do not download information as required, regardless of your equipment's working condition at the time. You must ensure that your equipment is in proper working order at all times
Product and Service Purchases	See Item 8	See Item 8	You must buy certain products and services from designated and approved suppliers and/or under MMP's standards and specifications

Column 1 Type of Fee[1]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Operations Manual	$250	15 days after billing	Charge for replacement copy
Management Fee	Up to 15% of Restaurant's Gross Sales	As incurred	Due for period MMP assumes Restaurant's management upon your death or disability, default, or termination
Costs and Attorneys' Fees	Will vary under circumstances and depends on your non-compliance	As incurred	Due when you do not comply with Franchise Agreement
Indemnification	Will vary under circumstances and depends on nature of underlying claim	As incurred	You must reimburse MMP if it is held liable for claims from your Restaurant's operation or incurs costs to defend them
Testing	$50-$800	15 days after billing	This covers costs of testing new products or inspecting new suppliers you propose
Franchise System Website and Intranet	Not to exceed $50 per month	As incurred	MMP may charge you a separate fee to be on or participate in the Website and Intranet if the Marketing Fund does not cover these costs; MMP does not yet charge this fee
Insurance	Will vary under circumstances and depends on which insurance you did not obtain	When billed by MMP	Due if MMP must buy insurance for you
Non-Compliance Fee	$500 to $2,000 for deviations from operational requirements/System	Within 5 days of receiving notice from MMP	Due, at MMP's option, if you deviate from MMP's requirements for operations or System

Column 1 Type of Fee[1]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
	Standards (defined in Item 11)		Standards. This compensates MMP for administrative and management costs, not for MMP's damages due to your default. MMP may charge you $500 for each deviation. If MMP discovers the same (or a substantially similar) deviation on 1 or more consecutive, subsequent visits to or inspections of your Restaurant, MMP may charge $1,000 for 1st repeat deviation and $2,000 for second and each subsequent repeat deviation.
Re-Inspection Fee	Currently, $250	As incurred	If the Restaurant fails an inspection, as set forth in the System Standards, MMP reserves the right to charge you a fee to reimburse MMP for its costs of conducting an additional inspection.
Customer Complaint Reimbursement	Out-of-pocket cost reimbursement	As incurred	You must reimburse MMP if it resolves a customer complaint because you do not do so; amount depends on extent of your non-compliance.

Column 1 Type of Fee[1]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Lost Future Royalties	Depends on how much time remained in Franchise Agreement term when MMP terminated with cause or you terminated without cause	15 days after end of franchise term	These are MMP's contract damages (not liquidated damages) if the Franchise Agreement is terminated before its expiration date

1/ Except for product and service purchases described in Item 8, all fees are imposed and collected by and payable to MMP or its affiliate. All fees currently are uniformly imposed. No fee is refundable.

2/ Before the Restaurant opens, you must sign and deliver to MMP the documents it requires to debit your business checking account automatically for the Royalty, Marketing Fund (defined in Item 11) contributions, advertising cooperative contributions, and other amounts you owe MMP. A sample document is attached as Exhibit H. On each Monday, you must report to MMP by telephone, electronically, or in writing, as MMP directs, the Restaurant's Gross Sales for the week ending on the preceding Sunday. MMP will debit your account on Wednesday for the Royalty, Marketing Fund contributions, and advertising cooperative contributions due on those Gross Sales. You must make sure your account has the necessary funds for withdrawal before each Wednesday.

If you do not report the Restaurant's Gross Sales weekly, MMP may debit your account each Wednesday for 120% of the amount it debited during the previous week. If the amount MMP debits from your account is less than the amount you actually owe (once MMP determines the Restaurant's Gross Sales for the week), MMP will debit your account for the balance on the following Wednesday. If the amount MMP debits exceeds the amount you actually owe for the week, MMP will credit the excess against the following week's debit.

MMP may require you to pay other than by automatic debit, and you must comply with MMP's payment instructions.

3/ If you sell any products or services, or engage in any business activities, at or from any part of the Restaurant's premises other than the products, services, and business activities MMP expressly authorizes for Mountain Mike's Pizza Restaurants (which you may do only with MMP's prior written consent, which it may grant or withhold as it deems best), all revenue you derive from selling those products or services or engaging in those business activities at or from the premises will be included in and/or added to, and

deemed to be part of, Gross Sales without any deductions whatsoever, even if those products, services, or business activities do not directly use or are not directly associated with any of the Marks.

To ensure that Gross Sales you report to MMP include all required revenue, MMP has the right to receive directly from all third-party and other vendors with whom your Restaurant does business, upon MMP's request, all financial and other information regarding their dealings with the Restaurant, including any sales the Restaurant makes to or through them or on account of the services they provide.

4/ While there currently are 8 advertising cooperatives in MMP's system (see Item 11), no Restaurants that MMP or its affiliates own may vote on the fees these cooperatives charge.

5/ You must purchase a point-of-sale/electronic information system that can automatically report sales daily or weekly. You also must install and maintain a working high-speed DSL or cable line and modem that transfers sales information from your system to MMP's designated polling location. (See Item 11) The service charge, which is $100 each time sales are not reported as required, will be deducted with your royalty payment at your next scheduled automatic funds transfer date.

Item 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of Payment	Column 4 When Due	Column 5 To whom payment is to be made
Initial Franchise Fee (1)	$15,000 - $30,000	Lump Sum	On signing Franchise Agreement	MMP
Leasehold Improvements (2)	$50,000 - $200,000	As Agreed	As Incurred	Outside Suppliers
Furniture, Fixtures, and Equipment (3)	$60,000 - $150,000	As Agreed	As Incurred	Outside Suppliers
Signage	$3,000 - $15,000	As Agreed	As Incurred	Outside Suppliers
POS/Electronic Information System (4)	$7,020 - $15,520	As Agreed	As Incurred	Adora and/or Other Outside Suppliers
Three Months' Rent (5)	$9,000 - $40,000	Lump Sum	As specified in lease or sublease	Landlord

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of Payment	Column 4 When Due	Column 5 To whom payment is to be made
Security Deposit (5)	$3,000 - $12,000	Lump Sum	On signing lease or sublease	Landlord
Opening Inventory and Supplies (6)	$10,000 - $15,000	As Agreed	As Incurred	Outside Suppliers
Grand Opening Marketing Fee	$4,000	Lump Sum	On signing Franchise Agreement	MMP
Décor Package (7)	$1,500 - $8,000	As Agreed	As Incurred	Outside Suppliers
Training Expenses (for all attendees)	$500 - $4,000	As Incurred	As Incurred	Third Parties
Miscellaneous Opening Costs (8)	$20,000 - $50,000	As Incurred	As Incurred	Third Parties
Additional Funds - 3 months (9)	$25,000 - $50,000	As Incurred	As Incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT (excluding real estate purchase costs) (10)	$208,020 - $593,520*			

*You will not incur most of these costs if you are renewing your franchise because your Restaurant already is open. However, you must make certain upgrades, modifications, and improvements at your Restaurant to meet MMP's then current standards. Your costs will depend on your Restaurant's current condition.

Except for the security deposit, no expense in the table above is refundable.

Explanatory Notes

1. MMP describes the initial franchise fee in Item 5.

2. The Restaurant's premises typically is in an end-cap or in-line location in a shopping center. A Restaurant is approximately 2,500 to 4,000 square feet. Leasehold improvement costs, which include floor covering, wall treatment, counters, ceilings, painting, window coverings, electrical, carpentry, and similar work, and contractor's fees, depend on the condition, location, and size of the premises; the demand for the premises among prospective lessees; whether the premises previously was used as a restaurant; the build-out required to make the premises suitable for your Restaurant; and any construction or other allowances the landlord grants.

3. This item includes sinks, refrigerators, ovens, stoves, ventilation systems, display cases, tables, chairs, booths, utensils, a phone system and facsimile machine, and office supplies. The range depends on whether any used equipment remains at the premises you take over.

4. MMP describes the POS/electronic information system in Item 11.

5. The rent and security deposit depend on the size, condition, and location of the premises and the demand for the premises among prospective lessees.

6. This figure is for food products, materials, smallwares, and supplies necessary to open the Restaurant under MMP's required standards and specifications.

7. This item covers interior signage, pictures, and other decor items.

8. This item covers miscellaneous opening costs and expenses, including installing telephones; deposits for gas, electricity, and similar items; business licenses (including beer and wine); architectural plans; city and county impact fees; legal and accounting expenses; and insurance premiums.

9. This item estimates your initial start-up expenses (other than the items identified separately in the table). These expenses include payroll costs but not any draw or salary for you or your owners. These figures are estimates, and it is possible you will need additional working capital during the first 3 months you operate your Restaurant and for a longer time period after that. This 3-month period is not intended, and should not be interpreted, to identify a point at which your Restaurant will break even. MMP cannot guarantee when or if your Restaurant will break even. Your costs depend on how much you follow MMP's methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period. MMP relied on its principals' many years of experience franchising Mountain Mike's Pizza Restaurants to compile this Additional Funds estimate.

10. You should review these figures carefully with a business advisor before deciding to acquire the franchise. MMP does not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing will depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of the financial institutions from which you request a loan.

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate the Restaurant according to MMP's System Standards (defined in Item 11). System Standards may regulate, among other things, the types, models, and brands of required fixtures, furnishings, equipment, signs, materials, and supplies for the Restaurant; required or authorized products and services and product and service categories; product preparation, storage, handling, and packaging procedures; product inventory requirements; and designated or approved suppliers of necessary items and services (which may be limited to or

include MMP or its affiliates, in which case you must acquire certain items for your Restaurant only from MMP and/or its affiliates at the prices they decide to charge).

Currently, you must purchase a POS/electronic information system, MMP's pizza spice blend, pizza dough mix, cheese products, meat products, tomato products, other contracted goods (that is, goods for which MMP has made purchase commitments to control prices for the franchisees' benefit), soft drinks, logoed paper products, and other proprietary products exclusively from MMP's designated suppliers. Adora POS, LLC ("Adora") is currently the designated supplier of the POS/electronic software information system and an approved supplier of hardware and components. Heartland Payment Systems, Inc. ("Heartland") is currently the designated supplier of credit card devices and payment processing services. (See Item 11 for details about the POS/electronic information system.) Except for these items, there are no goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Restaurant that you currently must purchase or lease from MMP or a designated supplier. Any future purchases from MMP and its affiliates, whether required or voluntary, may be at prices exceeding their costs so they can make a profit (specific pricing depends on the particular item involved).

If MMP approves you to offer delivery and/or catering services in connection with your Restaurant, you must make accommodations for delivery and/or catering services in compliance with MMP's System Standards, including utilizing only the specified designated delivery and/or catering service providers MMP identifies, making available the products and services identified as appropriate for delivery and/or catering (and only those designated products and services), and limiting the delivery and/or catering services to any delivery and/or catering area MMP specifies to you in writing. (See Item 12)

To maintain the quality of goods and services Mountain Mike's Pizza Restaurants sell and the reputation of MMP's system, you must purchase or lease fixtures, equipment, supplies (for example, logoed pizza take-out and delivery boxes and paper products), furnishings, food products and similar items (for example, salad dressings and canned goods), and services meeting MMP's minimum standards and specifications and, for some items, from suppliers MMP approves (besides the designated sourcing requirements identified above). MMP issues and modifies standards and specifications based on its franchisees' experience in operating Mountain Mike's Pizza Restaurants. MMP's standards and specifications may impose minimum requirements for delivery, performance, design, price, and appearance. MMP will notify you in its Operations Manual or other materials of its standards and specifications and/or names of approved suppliers. There might be situations where you may obtain items from any supplier who, after MMP's approval, can satisfy MMP's requirements and, for that reason, would be an approved supplier. MMP currently receives commissions from certain suppliers on franchisee purchases of food products and beverages from those suppliers (see below). Neither MMP nor any of its affiliates is currently is an approved supplier of any items. If you buy or lease any item from MMP (or an affiliate) because it is at that time a designated or approved supplier (or the only supplier), MMP (or that affiliate) has the right to charge a price exceeding its cost and including a profit margin. No MMP officer currently owns an interest in any approved or designated supplier.

If you want to use any item or service MMP has not yet evaluated, or to buy or lease from a supplier MMP has not yet approved, you first must submit sufficient information, specifications, and samples for MMP to determine whether the item or service complies with System Standards or the supplier meets approved supplier criteria. MMP may charge you or the supplier a reasonable evaluation fee (see Item 6) and will decide within a reasonable time (typically within 60 days). MMP periodically will establish procedures for you to request approval of items and suppliers and may limit the number of approved items and suppliers. Supplier approval depends on product quality, delivery frequency and reliability, service standards, financial capability, customer relations, concentration of purchases with limited suppliers to obtain better prices and service and/or a supplier's willingness to pay MMP or the system for the right to do business with the system. Supplier approval may be temporary until MMP evaluates the supplier in more detail. MMP may use all amounts it receives from a supplier without restriction for any purposes it deems appropriate. MMP may inspect a proposed supplier's facilities during the approval process and afterward to make sure the supplier continues to meet MMP's standards. MMP may revoke its approval of an item or supplier if it does not meet MMP's standards. MMP will immediately notify you and the supplier in writing of this decision.

Besides these purchases and leases, you must obtain and maintain, at your own expense, the insurance coverage MMP periodically requires and meet other insurance-related obligations in the Franchise Agreement. You currently must maintain comprehensive general liability insurance, product liability insurance, liquor/dram shop liability insurance, personal and advertising injury insurance, and owned and non-owned auto liability insurance with minimum limits of $1,000,000 per occurrence, and Umbrella Excess Liability Insurance with minimum limits of $1,000,000 per occurrence over all liability coverages listed above. You also must maintain workers' compensation insurance required by law for your employees with employer's liability limits of $1,000,000. Insurance costs depend on the insurance carrier's charges, payment terms, and your history. All insurance policies must name MMP and its affiliates (if any) as additional insured parties. You must provide certificates of insurance to MMP. The certificates must provide that MMP will receive at least 30 days' prior written notice of cancellation or reduction in coverage. The insurance company must be rated A or better by A.M. Best Company. If you fail to maintain any required insurance, MMP may obtain insurance coverage for you. You then must pay, on demand, all costs, premiums, and other expenses MMP incurs. (See Item 6)

Before you use them, you must send MMP for approval samples of all advertising, promotional, and marketing materials MMP has not prepared or previously approved. If you do not receive written disapproval within 15 days after MMP receives the materials, they are deemed approved. You may not use any advertising, promotional, or marketing materials MMP has not approved or has disapproved. At MMP's request, you must participate as MMP specifies in any Website (defined in Item 13) MMP establishes for the Mountain Mike's Pizza system.

You must participate in, and comply with the requirements of, all mandatory promotional programs, gift and loyalty programs, affinity and similar programs. This participation includes but is not limited to limited time offers, campaigns, special offers or coupons that we distribute nationally or locally by e-mail, our website, electronically, online, social networking sites, direct

mail, or other method of distribution. You must issue, honor, redeem and follow our guidelines on the acceptance and reimbursement of gift certificates, gift cards, rewards coupons, loyalty offers and other promotional programs we provide in the Manuals or otherwise in writing.

In order for you to develop the Restaurant, MMP will give you mandatory and suggested specifications and layouts for a Mountain Mike's Pizza Restaurant, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings, and color scheme. You must prepare all required construction plans and specifications to suit the shape and dimensions of the premises and make sure these plans and specifications comply with applicable ordinances, building codes, permit requirements, and lease requirements and restrictions. MMP must review and approve all plans and specifications before you begin constructing the Restaurant. You must submit all revised or "as built" plans and specifications during construction. MMP periodically may inspect the Restaurant during its development. You (and not MMP) are responsible for the performance of architects, contractors, and subcontractors you hire to construct, develop, and maintain the Restaurant and for ensuring that sufficient insurance coverage is in place during the construction process.

The Restaurant must be at a site MMP accepts. MMP also must accept the lease or sublease for the premises and may require it to contain certain provisions. At MMP's request, you must collaterally assign the lease or sublease to MMP (to make sure you comply with the Franchise Agreement) and get the lessor's consent to the collateral assignment. This means that, if you do not fulfill your obligations, MMP may take over the premises. MMP's form of Collateral Assignment is Exhibit C.

During its 2018 fiscal year (ending on December 31, 2018), MMP did not receive any revenue from selling products and services directly to Mountain Mike's Pizza franchisees. In its 2018 fiscal year, MMP received revenues from suppliers who sold products to its franchisees, ranging anywhere from 1% to 22% of the revenue the suppliers received on account of their dealings with franchisees. Collectively, the purchases and leases described above represent almost 100% of your total purchases and leases to establish and then operate the Restaurant.

Except as described above, neither MMP nor its affiliates currently derive revenue or other material consideration from required purchases or leases. There currently are no purchasing or distribution cooperatives. MMP currently negotiates purchase arrangements with suppliers (including price terms) for pizza ingredients and POS/electronic information system components. In doing so, it seeks to promote the franchise system's overall interests and its interests as the franchisor. MMP does not provide material benefits (*e.g.*, renewal or granting additional franchises) to a franchisee for purchasing particular products or services or using particular suppliers.

Item 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Section in agreement	Disclosure document item
(a) Site selection and acquisition/lease	2A and B of Franchise Agreement and Collateral Assignment of Lease	7, 8, 11, and 12
(b) Pre-opening purchases/leases	2C, D, and E and 8 of Franchise Agreement	5, 7, 8, and 11
(c) Site development and other pre-opening requirements	2C, D, and F of Franchise Agreement	7, 8, and 11
(d) Initial and ongoing training	4A and B of Franchise Agreement and 11 of Renewal Rider	6, 7, and 11
(e) Opening	2F of Franchise Agreement	11
(f) Fees	3A and B, 4A, 8C, 9A, B, and D, 12C, 12C(7), 12C(8), 12E(2), 13A, 17C, and 15A of Franchise Agreement	5, 6, 7, and 11
(g) Compliance with standards and policies/operating manual	4B and C, 8, and 9D of Franchise Agreement	8 and 11
(h) Trademarks and proprietary information	5 and 6 of Franchise Agreement	11, 13, and 14
(i) Restrictions on products/services offered	8A of Franchise Agreement	8, 11, and 16
(j) Warranty and customer service requirements	Not Applicable	Not Applicable
(k) Territorial development and sales quotas	Not Applicable	Not Applicable
(l) On-going product/service purchases	2D and 8 of Franchise Agreement	6, 8, and 11
(m) Maintenance, appearance, and remodeling requirements	8A and B and 13A of Franchise Agreement and 6 and 12 of Renewal Rider	11 and 17

Obligation	Section in agreement	Disclosure document item
(n) Insurance	8A of Franchise Agreement	6, 7, and 8
(o) Advertising	2G and 9 of Franchise Agreement	5, 6, 7, 8, and 11
(p) Indemnification	16D of Franchise Agreement	6
(q) Owner's participation/ management/staffing	4A and 8A of Franchise Agreement	11 and 15
(r) Records and reports	10 of Franchise Agreement	Not Applicable
(s) Inspections and audits	11 of Franchise Agreement	6
(t) Transfer	12 of Franchise Agreement	17
(u) Renewal	13 of Franchise Agreement and 13 of Renewal Rider	17
(v) Post-termination obligations	14B and C and 15 of Franchise Agreement	17
(w) Non-competition covenants	7 and 15D of Franchise Agreement	17
(x) Dispute resolution	17F, G, and H of Franchise Agreement	17
(y) Participation in gift card and customer loyalty and affinity programs	8A(15) of Franchise Agreement	8 and 11

Item 10
FINANCING

MMP does not offer direct or indirect financing. MMP does not guarantee your note, lease, or obligation.

Item 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, MMP is not required to provide you with any assistance.

Before you open the Restaurant, MMP (and/or one of its development agents) will:

1. Give you its site selection criteria for the Restaurant and, after you select and MMP accepts the site, designate your Exclusive Area. The site must meet MMP's criteria for demographic characteristics; traffic patterns; parking; character of neighborhood; competition from and proximity to other businesses; other commercial characteristics; and size, appearance,

and other physical characteristics. MMP does not manage the site selection process for you. Finding a site is your responsibility. MMP will accept or reject your proposed Restaurant location within 30 days after it receives the complete site report and other materials it requests. MMP will not sign the Franchise Agreement until you have located and can secure an acceptable site. If you and MMP cannot agree on a site, you may not acquire a franchise. (Franchise Agreement – Sections 1.D., 2.A., and 2.B.)

2. Give you mandatory and suggested specifications and layouts for a Mountain Mike's Pizza Restaurant, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings, and color scheme. (Franchise Agreement – Section 2.C.)

3. As discussed in Item 8, identify the fixtures, furniture, furnishings, equipment (including a computer, telecopier, and point-of-sale/electronic information system), signs, food products, materials, supplies, and services you must use to develop the Restaurant, the minimum standards and specifications you must satisfy, and the suppliers from whom you must or may buy or lease these items (including or limited to MMP and/or its affiliates). (Franchise Agreement – Sections 2.D. and 8.A.)

4. Give you access to the Operations Manual, which currently contains 226 total pages and the table of contents of which is Exhibit F. (Franchise Agreement – Section 4.C.)

5. Help you with the Restaurant's grand opening marketing program. (Franchise Agreement – Section 2.G.)

6. Train you (or your managing owner) and one manager. (Franchise Agreement – Section 4.A.) MMP describes this training later in this Item.

During your Restaurant's operation, MMP (and/or one of its development agents) will:

1. Advise you regarding the Restaurant's operation based on your reports or inspections MMP (or a development agent) makes. MMP also will recommend standards, specifications, and operating procedures and methods Mountain Mike's Pizza Restaurants use; purchasing required fixtures, furniture, furnishings, equipment, signs, products, materials, and supplies; advertising and marketing programs; supervisory employee training; and administrative, bookkeeping, and accounting procedures. MMP may provide recommendations in its Operations Manual, bulletins, or other written materials; by Electronic Media and Intranets; by telephone consultation; and/or at its office or the Restaurant. An "Intranet" means an internal network MMP designs and administers for the Mountain Mike's system through which the system's members may communicate with each other and through which MMP may circulate updates to the Operations Manual and other confidential information. (Franchise Agreement – Section 4.B.)

2. Give you, at your request, additional guidance, assistance, and training. (Franchise Agreement – Section 4.B.) (See Item 6)

3. Give you access to the Operations Manual, containing the materials (including audio, video, written, and on-line materials) MMP generally gives franchisees to operate Mountain Mike's Pizza Restaurants. The Operations Manual contains mandatory specifications, standards, operating procedures, and rules ("System Standards") MMP periodically requires, information on your other obligations under the Franchise Agreement, and recommendations for operations. MMP may modify the Operations Manual periodically to reflect changes in System Standards. (Franchise Agreement – Section 4.C.)

4. Issue and modify System Standards for Mountain Mike's Pizza Restaurants. MMP periodically may modify System Standards, which may accommodate regional or local variations, and these modifications may require you to invest additional capital in the Restaurant and/or incur higher operating costs. (See Item 16) (Franchise Agreement – Sections 8.A. and 8.B.)

5. Inspect and observe the Restaurant's operation to help you comply with the Franchise Agreement and all System Standards. (Franchise Agreement – Section 11.A.)

6. Let you use MMP's confidential information. (Franchise Agreement – Section 6)

7. Let you use MMP's Marks. (Franchise Agreement – Section 5)

8. Periodically offer refresher training courses. (Franchise Agreement — Section 4.A.)

9. Maintain and administer a marketing fund (the "Marketing Fund" or "Fund"). MMP may incorporate the Fund or operate it through a separate entity when it deems best. That entity will have all of the rights and duties described here. As noted in Item 1, MMP's wholly owned subsidiary, MMP National Fund, currently maintains and administers the Fund. You must contribute the amounts MMP periodically requires (see Item 6). Mountain Mike's Pizza Restaurants MMP and its affiliates own must contribute to the Fund on the same percentage basis as franchisees. Some franchisees who joined the Mountain Mike's system when it first started do not contribute to the Fund. MMP will direct all programs the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Fund may pay for MMP's administration of any gift card, customer loyalty, affinity, or similar program; preparing and producing video, audio, and written materials and electronic media; administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies to provide assistance; administering field marketing programs, including secret shopper programs, California Association of Employers membership, and store evaluation visits; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The Fund places advertising in printed materials, on radio or television and/or the Internet for local or regional circulation, depending on what MMP thinks best. MMP produces some advertising in-house but also may use regional advertising agencies. The Fund periodically will give you samples of advertising, marketing, and promotional formats and materials at no cost. MMP will give you multiple copies of these materials at MMP's direct cost of producing them, plus any related shipping, handling, and storage charges.

MMP accounts for the Fund separately from its other monies (though it need not keep Marketing Fund contributions in a separate bank account) and will not use the Fund for its general operating expenses, except for reasonable salaries, administrative costs, travel expenses, and overhead MMP incurs in administering the Fund and its programs, including conducting market research, preparing advertising, promotion, and marketing materials, and collecting and accounting for Fund contributions. The Fund is not a trust, and MMP has no fiduciary obligation to you. MMP holds Fund contributions for the benefit of contributors and uses contributions only for their intended purpose. The Fund may spend in any fiscal year more or less than total Fund contributions in that year, borrow from MMP or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. MMP will use all interest earned on Fund contributions to pay costs before using the Fund's other assets. MMP currently does not intend to use Fund contributions for advertising that principally is a solicitation of new franchise sales. MMP will prepare an unaudited, annual statement of Fund collections and costs and give it to you upon written request.

The Fund is to maximize recognition of the Marks and patronage of Mountain Mike's Pizza Restaurants. Although MMP will try to use the Fund to develop advertising and marketing materials and programs and to place advertising and marketing benefiting all Mountain Mike's Pizza Restaurants, MMP need not ensure that Fund expenditures in or affecting any geographic area are proportionate or equivalent to Fund contributions by Mountain Mike's Pizza Restaurants operating in that geographic area or that any Mountain Mike's Pizza Restaurant benefits directly or in proportion to its Fund contribution from the development of advertising and marketing materials or the placement of advertising. MMP has the right, but no obligation, to use collection agents and institute legal proceedings to collect Fund contributions at the Fund's expense. MMP also may forgive, waive, settle, and compromise all claims by or against the Fund. MMP assumes no other direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Fund.

MMP may defer or reduce a franchisee's Fund contributions and, upon 30 days' prior written notice to you, reduce or suspend Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If MMP terminates the Fund, it will distribute all unspent monies to franchisees and MMP and its affiliates in proportion to their respective Fund contributions during the preceding 12-month period.

All advertising, promotion, and marketing must be completely clear, factual, and not misleading and conform to the highest standards of ethical advertising and marketing and MMP's required advertising and marketing policies. Before you use them, you must send MMP samples of all advertising, promotional, and marketing materials that MMP has not prepared or previously approved. If you do not receive written disapproval within 15 days after MMP receives the materials, they are deemed approved. You may not use any advertising, promotional, or marketing materials MMP has not approved or has disapproved. (Franchise Agreement – Sections 9.A. and 9.B.) "Advertising, promotional, and marketing materials" includes any information relating to MMP, you, or the Restaurant that you plan to include on a Website (if MMP allows you to establish a Website). You must issue and honor/redeem gift certificates, coupons, and gift, loyalty, and affinity cards for Mountain Mike's Restaurants and

participate in, and comply with the requirements of, MMP's gift card and other customer loyalty, affinity, and similar programs.

There currently are no franchisee advertising councils advising MMP on advertising policies, although MMP may form, change, dissolve, or merge them. Eight regional advertising cooperatives – the Sacramento/Stockton, Bay Area, Stanislaus/Merced, Monterey, Central Valley, Bakersfield, Southern California, and North Bay Advertising Cooperatives -- currently exist. MMP may designate as a region any geographic area in which 2 or more Mountain Mike's Pizza Restaurants are located in order to establish an advertising cooperative ("Cooperative"). The Cooperative's members in any area will include all Mountain Mike's Pizza Restaurants operating in that area. MMP will determine in advance how to organize and govern each Cooperative and when it will begin operating. Each Cooperative's purpose is to administer advertising programs and develop promotional materials for the Cooperative's area. You must sign any documents MMP requires to become a Cooperative member and participate in the Cooperative as those documents require. While your Cooperative contribution currently does not exceed 2% of the Restaurant's Gross Sales, the Cooperative's members may increase the required contribution by a 2/3 vote of all franchisee members. Each franchisee has one vote, regardless of how many Mountain Mike's Pizza Restaurants that franchisee operates in the Cooperative's area. You must pay MMP the Cooperative contribution when you pay the Royalty, and MMP will disburse funds as the Cooperative's marketing programs are instituted. MMP will pay the bills for Cooperative-approved programs directly to the service providers.

You must submit to MMP and the Cooperative any reports MMP requires. MMP will maintain and administer the Cooperative's account according to the Cooperative's governing documents, which you may review. MMP will operate the Cooperative only to collect and spend contributions in the Cooperative's area. MMP may use a Cooperative's funds to cover the reasonable salaries, administrative costs, travel expenses, and overhead MMP incurs in administering the Cooperative and its programs. The Cooperative and its members may not use any advertising or promotional plans or materials without MMP's prior written consent. MMP may form, change, dissolve, or merge any Cooperatives. While MMP need not prepare any financial statements for Cooperatives, it intends to keep records that you may review.

MMP may perform its rights and duties relating to Cooperatives through a separate entity when it deems best. That entity will have all of the rights and duties described here. As noted in Item 1, MMP's wholly owned subsidiary, MMP Regional Fund, currently maintains and administers the Cooperatives.

During MMP's fiscal year ending December 31, 2018, $4,044,507 from MMP Regional Fund and $2,103,195 from MMP National Fund was collectively expended in the following manner: 56% was spent on media placement, primarily television, radio, outdoor and digital marketing, 17% was spent on direct mail and newspaper inserts, 12% was spent on sports and other sponsorships, 7% was spent on audio/visual production, in-store marketing materials, in-house advertising, marketing related email programs, gift cards, website and digital marketing consulting, online ordering, and the California Association of Employers membership for all franchisees, 6% was spent on administration, and 2% was spent on other field marketing programs, including charitable and other small marketing spends.

Franchise System Website

MMP or its designees may (but is not obligated to) establish one or more websites for the Mountain Mike's Pizza Restaurant network to advertise, market, and promote Mountain Mike's Pizza Restaurants, the products and services they offer and/or the Mountain Mike's Pizza Restaurant franchise opportunity; to function as the Intranet; and for any other purposes MMP deems appropriate for Mountain Mike's Pizza Restaurants (the "System Website"). If MMP establishes a System Website, it may give you a separate interior webpage (accessible only through the System Website) referencing your Restaurant and/or otherwise allow you to participate in the System Website. You must develop your webpage at your own expense using a template MMP provides. MMP must pre-approve your webpage before it is posted by MMP's webmaster on the System Website and has the continuing right to monitor and pre-approve your webpage's form, content, and quality during the franchise term. MMP may reject your webpage if its form or content is unacceptable to MMP. Your webpage always must comply with System Standards. You may modify your webpage only through and with the pre-approval of MMP's webmaster. You must give MMP the information and materials it requests for you to participate in the System Website. They must be accurate and not misleading and not infringe any other party's rights. MMP will own all intellectual property and other rights in the System Website, your webpage, and all information they contain (including the log of "hits" by visitors and any personal or business data that visitors supply).

MMP will control, and may use Marketing Fund contributions to develop, maintain, operate, update, and market, the System Website, including your webpage (if any). MMP will update the information on your webpage, if any, or add information it approves as frequently as it deems appropriate. You must notify MMP whenever any information on your webpage changes or is not accurate. You must pay MMP's then current fee to participate in the various aspects of the System Website or as MMP otherwise requires to maintain and operate the System Website's various features and functions (if, or to the extent, the Marketing Fund does not pay for these costs). (See Item 6) MMP has final approval rights over all information on the System Website, including your webpage, if any. MMP may implement and periodically modify System Standards for the System Website.

MMP will maintain your webpage, if any, and otherwise allow you to participate in the System Website only while you are in substantial compliance with the Franchise Agreement and all System Standards (including those for the System Website). If you are in material default, MMP may, in addition to its other remedies, temporarily suspend your participation in the System Website until you fully cure the default. MMP will permanently terminate your access to and participation in the System Website when the franchise term ends.

All advertising, marketing, and promotional materials you develop for the Restaurant must contain notices of the System Website's URL in the manner MMP periodically designates. You may not develop, maintain, or authorize any other website, other online presence, or other electronic medium mentioning or describing the Restaurant or displaying any Marks without MMP's prior written approval. Except for the System Website, you may not conduct commerce or directly or indirectly offer or sell any products or services using any website, another

electronic means or medium, or otherwise over the Internet. (Franchise Agreement — Section 9.D.)

Intranet

MMP may, at its option, establish and maintain an Intranet and establish System Standards for the Intranet's use. These System Standards will address, among other things, (a) restrictions on using abusive, slanderous, or otherwise offensive language in electronic communications, (b) restrictions on communications among franchisees endorsing or encouraging breach of any franchisee's franchise agreement, (c) confidential treatment of materials MMP transmits via the Intranet, (d) password protocols and other security precautions, (e) grounds and procedures for MMP suspending or revoking a franchisee's access to the Intranet, and (f) a privacy policy governing MMP's access to and use of electronic communications franchisees post on the Intranet. While MMP expects to adopt and adhere to a reasonable privacy policy, it has the right to access and view any communication posted on the Intranet. MMP will own all intellectual property and other rights in the Intranet and all information it contains, including its domain name or URL, the log of "hits" by visitors, any personal or business data visitors supply, and all information relating to the Restaurant's customers, whether that information is contained on your computer system or MMP's (or its designee's) computer system.

After MMP notifies you that the Intranet is functional, you must establish and continually maintain electronic connection with the Intranet allowing MMP to send messages to and receive messages from you. Your obligation to maintain connection with the Intranet applies during the entire franchise term (unless MMP dismantles the Intranet or suspends your access). You must contribute reasonable amounts on an annual, quarterly, monthly, or other basis toward the cost of developing and maintaining the Intranet. (See Item 6) If you fail to pay when due any required amount, or fail to comply with any Intranet System Standard, MMP may (in addition to its other rights) temporarily suspend your access to any chat room, bulletin board, list-serve, or similar feature the Intranet includes until you fully cure the breach. (Franchise Agreement — Section 9.D.)

POS/Electronic Information System

You must use a POS/electronic information system in operating your Restaurant. MMP currently has approved only the following POS system software provider for your restaurant operating system: Adora POS, LLC, 1328 Blue Oaks Blvd Ste. 180 Roseville, California 95678 (408) 425-2695. The system tracks sales data, coupon data, and inventory. Adora licenses the POS software to you under its Software License Agreement (the current version of which is attached as Exhibit L). You own the equipment purchased. MMP may require a different POS/electronic information system in the future and you will be required to sign any applicable software license agreement and/or participation agreement in order to use the system.

MMP has negotiated fixed pricing with Adora for your benefit. Purchasing a system costs from $6,500 to $15,000. Both the low and high end requires you to acquire hardware as well as the software. MMP receives no revenue from Adora. The POS/electronic information

system has at least 3 workstations (2 at the service counter and 1 for phone orders) and an office computer (which can also be used as a workstation). Adora will provide ongoing maintenance, repairs, upgrades, or updates if you pay for them. Acquiring these services costs approximately $1,800 to $11,000 per year. MMP has no obligation to provide ongoing maintenance, repairs, upgrades, or updates. You must purchase the equipment from Adora. There is no compatible software you may use. You must maintain a dedicated high speed broadband/DSL line for your modem. You must upgrade or update the POS/electronic information system during the franchise term as MMP requires. MMP will have independent access to the data you generate on the POS/electronic information system (excluding matters relating to labor relations and employment practices). There are no limits on MMP's right to access the data or to request system changes. (Franchise Agreement – Section 2.E.)

Your POS system must be integrated for online ordering through the Mountain Mike's website. Adora's system provides integrated online ordering. Adora charges an additional fee ranging from $.50-$1.00 per online order depending on the number of online orders you receive per month. You are also required to pay Adora a software service fees which is currently $110 per month and a backup wireless internet fee which is currently $15 per month.

You must ensure that the POS/electronic information system and networks are adequately maintained and protected from unauthorized access. You must subscribe to a service MMP specifies to install an appropriate firewall. You must ensure that all operating systems software is regularly maintained and updated in accordance with the manufacturers' specifications and in compliance with Payment Card Industry (PCI) Compliance Standards.

Heartland is currently the designated supplier of credit card devices and payment processing services, and MMP may negotiate fixed pricing with Heartland for your benefit. You must obtain from Heartland the credit card processors of the type and in the number, and the specific payment processing services, MMP designates. MMP anticipates that the average MMP franchisee will purchase 2 credit card devices, although the number of devices will depend on the franchisee. As of the date of this Disclosure Document, the approximate price for a credit card device is $260 plus tax, and the approximate amount of the ongoing fees for required payment processing services is $25 per month and $0.04 per transaction (plus, where applicable, an Amex fee of 0.52% per transaction).

Additional value-added features will be added over time to MMP's technology platform and POS system to support increased consumer foot traffic, loyalty and overall store profitability. Examples of MMP enhancements may include, but are not limited to, equipment accessories and system upgrades, 3rd party delivery consolidation applications, gift card and loyalty programs, mobile applications, and business intelligence and POS reporting enhancements. Incremental one time and/or monthly fees will be negotiated by MMP for the MMP franchise system.

Opening

MMP estimates it will be 4 to 6 months after you sign the Franchise Agreement before you open the Restaurant, but the interval depends on the site's location and condition, the

Restaurant's construction schedule, the extent to which you must upgrade or remodel an existing location, the delivery schedule for equipment and supplies, delays in securing financing arrangements and completing training, and your compliance with local laws and regulations. This timetable assumes you found the site before signing the Franchise Agreement. You may not open the Restaurant until: (1) you develop the Restaurant according to MMP's specifications and standards, and MMP notifies you in writing that the Restaurant is acceptable; (2) pre-opening training is completed to MMP's satisfaction; (3) you pay the initial franchise fee and all other amounts then due to MMP; and (4) you give MMP copies of all required insurance policies or other evidence of insurance coverage and payment of premiums. Subject to these conditions, you must open the Restaurant for business within 180 days after signing the Franchise Agreement or by the date the lease specifies, whichever is earlier. (Franchise Agreement — Section 2.F.)

Training

Before the Restaurant opens, MMP (and/or a development agent) will provide initial training on operating a Restaurant to you (or your managing owner) and one managerial employee. You will receive up to 15 days of training, all of which currently occur at an operating Mountain Mike's Pizza Restaurant in California. There are several different training Restaurants in California (all of which are franchised). MMP generally will train you at the training Restaurant located closest to you. You (or your managing owner) and your manager must complete initial training to MMP's satisfaction so that the quality of the products, services, and Mountain Mike's Pizza brand is maintained. Although there are no additional fees for this training, you must pay all travel and living expenses you and your managerial employees incur in training. (MMP does not provide an initial training program if you are renewing your franchise.)

All Restaurant management personnel will receive up to 10 days (at MMP's discretion) of additional training at the Restaurant. This training occurs before and after the Restaurant begins operating. You must pay MMP's then current fee for training a replacement Restaurant manager if your originally-appointed manager is not qualified to hold that position. If you (or your managing owner) cannot complete initial training to MMP's satisfaction, MMP may terminate the Franchise Agreement.

MMP expects training to occur after the Franchise Agreement is signed and while you are developing the Restaurant. MMP plans to be flexible in scheduling training to accommodate its personnel, you, and your personnel. There currently are no fixed (*i.e.*, monthly or bi-monthly) training schedules. MMP uses manuals and other training aids during the training program. The following is description of our initial training program as of the date of issuance of this Disclosure Document:

TRAINING PROGRAM

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On-the-Job Training	Column 4 Location
Orientation and Safety Procedures	4-8		Training Restaurant in California
Prep & Storage Procedures, Equipment Operation	4-6		Training Restaurant in California
Product Preparation, Cooking and Serving	3-4	60	Training Restaurant in California
Review	4-6		Training Restaurant in California
Review Beverage Dispensing	1-2	4-6	Training Restaurant in California
Actual Restaurant Operating Experience		60	Training Restaurant in California
Accounting and Ordering	8-10		Training Restaurant in California
Inventory and Costs	16	8	Training Restaurant in California
Marketing	4-6		Training Restaurant in California
LEAD Program (California only)	1		Training Restaurant in California
Other	8-10		Training Restaurant in California
Total Hours	53-69	132-134	

Representatives from MMP and/or its development agents (whose backgrounds are disclosed in Item 2) will supervise training. Training will be coordinated by one or more development agents identified in Item 2 and by Mountain Mike's Pizza Restaurant employees who have concentrated in the areas they will teach.

You (or your managing owner) and/or previously trained and experienced managers must attend any periodic refresher training courses MMP provides and pay the applicable fees (see Item 6). Depending on the subject matter, these courses could last up to 10 days. MMP may hold them anywhere, although a California location is likely given the concentration of franchisees in that state. You also must pay MMP to train new managers hired after the Restaurant opens. You must help MMP train other franchisees. MMP will reimburse your out-of-pocket expenses for helping with this training.

Item 12
TERRITORY

You will operate the Restaurant at a specific location MMP first must accept. Once you locate and MMP accepts this site, MMP will identify your exclusive area (the "Exclusive Area"). MMP will not establish or allow a franchisee to establish another Mountain Mike's Pizza Restaurant with its physical location within the Exclusive Area. The Exclusive Area's size typically will be a 1½ mile radius from your Restaurant. While no other Mountain Mike's Pizza Restaurant will be physically located within your Restaurant's Exclusive Area, your Exclusive Area may overlap with another franchisee's exclusive area (in other words, area in your Exclusive Area also may be in another franchisee's exclusive area). The Exclusive Area's size might be smaller or larger depending on the Restaurant's location, traffic patterns, and the demographics of the Restaurant's area. MMP identifies the Exclusive Area in a Franchise Agreement exhibit before you sign it. You may not operate the Restaurant at another site without MMP's prior written consent. Whether or not MMP would allow relocation depends on then current circumstances and what is in the Restaurant's and the Mountain Mike's system's best interests. Factors include, for example, the new location's area, its proximity to other Restaurants in MMP's system, whether you are in compliance with your Franchise Agreement, whether you properly de-identify the old location, and how long it will take you to open at the new location.

You must send MMP for processing all product orders to be shipped or mailed to customers rather than personally delivered by your Restaurant's employees. MMP will fill all of these orders at its expense and receive payment from customers for them. MMP may retain all revenue from these orders. You may not fill any orders to be shipped or mailed to customers. In addition, you may not engage in any promotional activities, or sell any food-related products, directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system (collectively, the "Electronic Media"). There are no other restrictions on you from soliciting or accepting orders from outside the Exclusive Area. You have no options, rights of first refusal, or similar rights to acquire additional franchises within your Exclusive Area or contiguous territories.

If MMP approves you to offer delivery and/or catering services in connection with your Restaurant, you must make accommodations for delivery and/or catering services in compliance with MMP's System Standards, including limiting the delivery and/or catering services to any delivery and/or catering area MMP specifies to you in writing. (See Item 8) Any delivery and/or catering area MMP specifies is not exclusive and MMP may engage, and/or allow other franchisees and third parties to engage, in any activities MMP desires within the delivery and/or

catering area without any restrictions (including allowing other Mountain Mike's Pizza Restaurant franchisees and delivery and/or catering service providers to provide delivery and/or catering services in the delivery area). Any delivery and/or catering area MMP specifies is nothing more than the geographic boundaries in which you may deliver those menu items approved for delivery and/or catering from your Restaurant, and no other rights are granted to you.

While no other Mountain Mike's Pizza Restaurant will be physically located within your Restaurant's Exclusive Area, MMP (and its affiliates) otherwise are not restricted in the business activities in which they may engage, meaning you may face certain competition from other franchisees, from outlets MMP owns, or from other channels of distribution or competitive brands MMP controls. MMP (and its affiliates) may:

(a) establish and allow other franchisees to establish Mountain Mike's Pizza Restaurants anywhere outside the Exclusive Area (including at the boundary of the Exclusive Area) and on any terms and conditions it deems appropriate;

(b) sell and deliver, and allow other franchisees to sell and deliver, products and services identified by the Marks to customers located within the Exclusive Area from Mountain Mike's Pizza Restaurants physically located outside the Exclusive Area;

(c) sell products identified by the Marks, or other trademarks or service marks, within and outside the Exclusive Area through any distribution channels MMP thinks best, wherever located or operating (including the Internet, mail order, convenience and grocery stores, hospitals, and schools), except not through Mountain Mike's Pizza Restaurants physically located within the Exclusive Area; and

(d) engage in any other business activities not expressly prohibited by the Franchise Agreement, both within and outside the Exclusive Area.

MMP need not compensate you if it engages in these activities.

Although MMP has the right to do so (as noted above), it has not established, and has no present plan to establish, other franchises or company-owned outlets or another channel of distribution selling or leasing similar products or services under a different trademark.

Continuation of your territorial exclusivity does not depend on your achieving a certain sales volume, market penetration, or other contingency. MMP may not alter the definition of your Exclusive Area except when you acquire a successor franchise.

Item 13
TRADEMARKS

You may use certain Marks in operating the Restaurant. MMP's principal Marks are the "Mountain Mike's" name and associated design. The "Mountain Mike's" name and one of the

designs, covering restaurant services, were registered on the Principal Register of the United States Patent and Trademark Office (USPTO) on September 15, 1992 (Registration Nos. 1,716,962 and 1,716,963). These registrations have been renewed twice, most recently in 2012. The name "Mountain Mike's Pizza" and a new design, covering restaurant services (Registration No. 2,004,536), was registered on the USPTO's Principal Register on October 1, 1996. MMP (and/or its predecessor, COAC) has/have renewed this Mark twice, most recently in 2016. MMP also has a trademark registration on the USPTO's Principal Register for the slogan "Pizza the way it oughta be®," which was registered on July 21, 1998, and renewed on January 16, 2009 (Registration No. 2,174,312). Another iteration of the "Mountain Mike's" name and a design (the words "Mountain Mike's" bordering a circle containing the letter "M" inside), covering restaurant services, was registered on the USPTO's Principal Register on July 15, 2008 (Registration No. 3,467,126). All required affidavits of use have been filed for these Marks.

You must follow MMP's rules when you use the Marks. You may not use any Mark in your corporate or legal business name; with modifying words, terms, designs, or symbols (except for those MMP licenses to you); in selling any unauthorized services or products; as part of any domain name, electronic address, social media accounts/platforms, or search engine you maintain on any Electronic Media or otherwise in connection with a Website; or in any other way MMP has not expressly authorized in writing. To the extent you use any Mark in employment-related materials, you must include a clear disclaimer that you (and only you) are the employer of the Restaurant's employees and that MMP, as the franchisor of Mountain Mike's Pizza Restaurants, is not their employer and does not engage in any employer-type activities for which only franchisees are responsible, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceedings or material litigation, involving the principal Marks. No agreements limit MMP's right to use or license the Marks in a manner material to the franchise.

You must notify MMP immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and you may not communicate with any person other than MMP, its attorneys, and your attorneys in any infringement, challenge, or claim. MMP may take the action it deems appropriate (including no action) and control exclusively any litigation, USPTO proceeding, or any other administrative proceeding from the infringement, challenge, or claim or otherwise concerning any Mark. You must sign the documents and take the action that, in the opinion of MMP's attorneys, are necessary or advisable to protect and maintain MMP's interests in any litigation or USPTO or other proceeding or otherwise to protect and maintain MMP's interests in the Marks.

MMP will reimburse your damages and expenses incurred in any trademark infringement proceeding disputing your authorized use of any Mark if your use was consistent with the Franchise Agreement, the Operations Manual, and System Standards communicated to you and

you have timely notified MMP of, and complied with MMP's directions in responding to, the proceeding. MMP may, at its option, defend and control the defense of any proceeding from your use of any Mark.

If it becomes advisable at any time in MMP's sole discretion for MMP and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trade or service marks, you must comply with MMP's directions within a reasonable time after receiving notice. MMP will reimburse your reasonable direct expenses of changing your Restaurant's signs. However, MMP need not reimburse your revenue losses due to any modified or discontinued Mark or your expenses to promote a modified or substitute trademark or service mark.

MMP does not actually know of either superior prior rights or infringing uses that could materially affect your use of its principal Marks in any state.

Item 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or patent applications are material to the franchise. MMP claims copyrights in the Operations Manual, advertising and marketing materials, menus, and similar items used in operating the franchise. MMP has not registered these copyrights with the United States Copyright Office but need not do so to protect them. You may use these items only as MMP specifies while operating your franchise (and must stop using them if MMP so directs you).

There currently are no effective determinations of the USPTO, the United States Copyright Office, or any court regarding any copyrighted materials. No agreements limit MMP's right to use or allow others to use the copyrighted materials. MMP does not actually know of any infringing uses that could materially affect your use of the copyrighted materials in any state. MMP need not protect or defend copyrights, although it intends to do so if in the best interests of the Mountain Mike's system. MMP may control any action it chooses to bring, even if you voluntarily bring the matter to MMP's attention. MMP need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright.

The Operations Manual and other materials contain MMP's confidential information. This information includes site selection criteria; recipes; training and operations materials, manuals, and software; methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating Mountain Mike's Pizza Restaurants; marketing and advertising programs for Mountain Mike's Pizza Restaurants; knowledge of specifications for and suppliers of certain fixtures, furniture, furnishings, equipment, products, materials, and supplies; proprietary computer software or similar technology; knowledge of the operating results and financial performance of Mountain Mike's Pizza Restaurants other than your Restaurant; and graphic designs and related intellectual property.

MMP (and its affiliates) have the perpetual royalty-free right to use and allow other Mountain Mike's franchisees to use, and you must fully and promptly disclose to MMP, all

ideas, concepts, formulas, recipes, techniques, or materials concerning a Mountain Mike's Pizza Restaurant that you and/or your employees conceive or develop during your franchise term.

You may not use MMP's confidential information in an unauthorized manner and must take reasonable steps to prevent its disclosure to others and use non-disclosure agreements with those having access to confidential information. However, MMP does not control the forms or terms of employment agreements you use with your employees and is not responsible for your labor relations or employment practices.

Item 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must at all times faithfully, honestly, and diligently perform your contractual obligations, continuously exert your best efforts to promote and enhance the Restaurant, and not engage in any other activity conflicting with your obligations to operate the Restaurant properly. System Standards may regulate staffing the Restaurant to ensure it operates in compliance with MMP's required standards and employee dress and appearance. However, you have sole responsibility and authority for your labor relations and employment practices, including employee selection, promotion, termination, hours worked, rates of pay, benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. You must communicate clearly with Restaurant employees in your employment agreements, human resource manuals, written and electronic correspondence, paychecks, and other materials that you (and only you) are their employer and that MMP, as the franchisor of Mountain Mike's Pizza Restaurants, is not their employer and does not engage in any employer-type activities (including those described above) for which only franchisees are responsible. Restaurant employees are under your control at the Restaurant. You must obtain an acknowledgment (in the form we specify or approve) from all Restaurant employees that you (and not we) are their employer.

Although MMP recommends it, you (or your managing owner) need not participate personally in the Restaurant's on-site operation. In that case, however, you must employ a manager to manage the Restaurant's day-to-day operations on-site. Your manager must complete initial training to MMP's satisfaction. This manager need not have an equity interest in you or the Restaurant but must agree in writing to preserve confidential information to which he or she has access and not to compete with Mountain Mike's Pizza Restaurants.

If you are a corporation, limited liability company, or partnership, your owners must personally guarantee your obligations under the Franchise Agreement and agree personally to be bound by, and to be liable for the breach of, every contractual provision, both monetary and non-monetary obligations, including the covenant not to compete. This "Guaranty and Assumption of Obligations" is part of the Franchise Agreement. Your officers, directors, and key personnel also must comply with this requirement. MMP's standard "Principal's Agreement" is Exhibit D. The noncompetition covenants from key personnel are necessary to protect MMP's confidential information and the competitiveness of Mountain Mike's Pizza Restaurants. However, MMP does not control the forms or terms of employment agreements

you use with your employees and is not responsible for your labor relations and employment practices.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer all products and perform all services MMP periodically requires for Mountain Mike's Pizza Restaurants. You may not offer any products or perform any services MMP has not authorized. (See Item 8) MMP's System Standards may regulate required or authorized products and services; product and service categories; product preparation, storage, handling, and packaging procedures; and product inventory requirements. MMP periodically may change required and/or authorized products and services and product and service categories. There are no limits on MMP's right to do so.

Item 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

Provision	Section in franchise or other agreement	Summary
(a) Length of the franchise term	1.D. of Franchise Agreement and 3 of Renewal Rider	15 years (you must operate Restaurant for full term unless Franchise Agreement is properly terminated) If you are in the process of renewing your existing franchise because it soon will expire, the renewal term is 10 years (because that is what your existing franchise agreement says)
(b) Renewal or extension of the term	13 of Franchise Agreement and 13 of Renewal Rider	If you are in good standing, you may acquire a successor franchise for 10 years on MMP's then current terms (which may be materially different from those in your

Provision	Section in franchise or other agreement	Summary
		current Franchise Agreement) If you are in the process of renewing your existing franchise because it soon will expire, you have no right to another term after 10 years
(c) Requirements for franchisee to renew or extend	13 of Franchise Agreement and 13 of Renewal Rider	Give timely notice, maintain possession of premises or secure acceptable substitute premises, remodel Restaurant under MMP's then current standards, sign new agreement (which may contain materially different terms) and other documents, and pay successor franchise fee Terms of MMP's new franchise agreement you sign for successor franchise may differ materially from any and all of those contained in Franchise Agreement attached to this disclosure document
(d) Termination by franchisee	14.A. of Franchise Agreement	If MMP breaches agreement and does not cure default after notice from you
(e) Termination by franchisor without cause	Not Applicable	MMP may not terminate Franchise Agreement without cause
(f) Termination by franchisor with cause	14.B. of Franchise Agreement	MMP may terminate Franchise Agreement (only if you or your owners commit one of several violations
(g) "Cause" defined – curable defaults	14.B. of Franchise Agreement	Under Franchise Agreement, you have 3 days to cure health, safety, or sanitation law violations; 10 days to

Provision	Section in franchise or other agreement	Summary
		cure monetary defaults and failure to maintain required insurance coverage; and 30 days to cure operational defaults and other defaults not listed in (h) below
(h) "Cause" defined – non-curable defaults	14.B. of Franchise Agreement	Non-curable defaults include failure to complete training, failure to open Restaurant within 180 days, abandonment, unapproved transfers, material misrepresentations or omissions, conviction of a felony, failure to transfer on death or disability, MMP sends notice of termination under another franchise agreement, dishonest or unethical conduct, loss of right to possess the premises, unauthorized use or disclosure of Operations Manual or confidential information, failure to pay taxes, failure to comply with System Standard modifications within required time period, repeated defaults (even if cured), an assignment for benefit of creditors, an appointment of a trustee or receiver, and violation of any anti-terrorism law
(i) Franchisee's obligations on termination / nonrenewal	14.B. and 15 of Franchise Agreement	Obligations include paying outstanding amounts; complete de-identification; assigning telephone and other numbers, domain names, Websites, and social media accounts; returning

Provision	Section in franchise or other agreement	Summary
		confidential information; and sending MMP a list of all Restaurant assets (also see (o) and (r) below); MMP may assume Restaurant's management while deciding whether to purchase Restaurant's assets
(j) Assignment of contract by franchisor	12.A. of Franchise Agreement	No restriction on MMP's right to assign; MMP may assign without your approval No restriction on Adora's right to assign
(k) "Transfer" by franchisee – defined	12.B. of Franchise Agreement	Includes transfer of Franchise Agreement, sale of Restaurant's assets, and ownership change (including adding owners to or deleting owners from Franchise Agreement)
(l) Franchisor approval of transfer by franchisee	12.C. of Franchise Agreement	No transfer without MMP's prior written consent
(m) Conditions for franchisor approval of transfer	12.C. of Franchise Agreement	New franchisee qualifies and submits bona fide offer, you pay MMP all amounts due and submit all reports, new franchisee (and its owners and affiliates) does not engage in competitive business, training completed, lease transferred, you or transferee signs MMP's then current franchise agreement and other documents (any and all terms of which may differ materially from your Franchise Agreement, except that new franchise agreement term will equal your Franchise Agreement's

Provision	Section in franchise or other agreement	Summary
		unexpired term and Exclusive Area definition, Royalty, Marketing Fund contribution, and Cooperative contribution under new franchise agreement will remain the same as under your Franchise Agreement), transfer fee paid (see Item 6), MMP approves material terms, you subordinate amounts due to you, you de-identify, and you sign other documents MMP requires (including release, if state franchise law allows) (also see (r) below)
(n) Franchisor's right of first refusal to acquire franchisee's business	12.G. of Franchise Agreement	MMP may match any offer for your Restaurant or an ownership interest in you
(o) Franchisor's option to purchase franchisee's business	14.E. of Franchise Agreement	MMP has option to buy the Restaurant at fair market value after Agreement terminates or expires (without renewal)
(p) Death or disability of franchisee	12.E. of Franchise Agreement	Assignment of franchise or an ownership interest in you to approved party within 6 months; MMP may assume Restaurant's management if qualified manager is not managing Restaurant
(q) Non-competition covenants during the term of the franchise	7 of Franchise Agreement	No diverting business; no controlling ownership interest in, or performing services for, competitive business anywhere
(r) Non-competition covenants after the franchise is terminated or expires	15.D. of Franchise Agreement	No direct or indirect ownership interest in, or performing services for, competing business for 2 years at Restaurant's

Provision	Section in franchise or other agreement	Summary
		premises, within the Exclusive Area, or within one mile of any other Mountain Mike's Pizza Restaurant (same restrictions apply after transfer)
(s) Modification of the agreement	17.J. of Franchise Agreement	No modifications generally, but Operations Manual and System Standards are subject to change
(t) Integration/merger clause	17.L. of Franchise Agreement	Only the terms of the Franchise Agreement (including the Operations Manual) are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable
(u) Dispute resolution by arbitration or mediation	17.F. of Franchise Agreement	Except for certain claims, MMP and you must arbitrate all disputes within 10 miles of MMP's then existing principal business address (currently in California)
(v) Choice of forum	17.H. of Franchise Agreement	Litigation generally must be commenced in state or federal court located closest to MMP's then existing principal business address when action is commenced (currently in California) (subject to state law)
(w) Choice of law	17.G. of Franchise Agreement	Except for Federal Arbitration Act and other federal law, California law governs (subject to state law)

Item 18
PUBLIC FIGURES

MMP does not use any public figure to promote its franchise.

Item 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

On December 31, 2018, there were 204 Mountain Mike's Pizza Restaurants open and in operation. Of those 204 Mountain Mike's Pizza Restaurants, 187 were open and in continuous operation during the entire calendar year ending December 31, 2018. The analysis below is based solely on the yearly gross sales for those 187 Mountain Mike's Pizza Restaurants for 2018.

The following tables refer to "Gross Sales". "Gross Sales" means all revenue from operating a Mountain Mike's Pizza Restaurant (including proceeds of business interruption service, all rental income and the amounts charged to customers for menu items delivered by third party delivery service providers); excluding taxes collected from customers and customer refunds and credits.

Table 1

Range of Gross Sales
Restaurants Operating for the Entire 2018 Calendar Year

The following table shows the ranges of Gross Sales for the 187 Mountain Mike's Pizza Restaurants operating for the entire calendar year ending 2018 and the number of Mountain Mike's Pizza Restaurants:

Range of Gross Sales for 2018	# of Restaurants within Range of Gross Sales	% of Restaurants within Range of Gross Sales
Greater than $1,500,000	6	3%
$1,250,000 to $1,500,000	19	10%
$1,000,000 to $1,250,000	28	15%
$750,000 to $1,000,000	45	24%
$500,000 to $750,000	66	35%

Range of Gross Sales for 2018	# of Restaurants within Range of Gross Sales	% of Restaurants within Range of Gross Sales
Below $500,000	23	12%
Total	187	100%

Table 2
Systemwide Gross Sales
Restaurants Operating for the Entire 2018 Calendar Year

The following Table provides systemwide average, highest, lowest, and median Gross Sales for the 187 Mountain Mike's Pizza Restaurants operating for the entire calendar year ending 2018.

# of Restaurants	187
2018 Average Gross Sales	$834,161
Highest Gross Sales	$1,830,086
Lowest Gross Sales	$239,066
# of Restaurants Exceeding Average Gross Sales	78
% of Restaurants Exceeding Average Gross Sales	42%
Median Gross Sales	$767,809

Table 3
Systemwide Gross Sales by Top and Bottom Quartile of
Restaurants Operating for the Entire 2018 Calendar Year

The following Table provides average Gross Sales for the top and bottom quartiles of Mountain Mike's Pizza Restaurants.

Quartile	Restaurant Count	Highest Gross Sales	Lowest Gross Sales	Average Gross Sales	Number Above Average	Percent Above Average	Median Gross Sales
Top	47	$1,830,086	$1,024,916	$1,286,285	21	45%	$1,255,189
Bottom	47	$599,503	$239,066	$477,599	27	57%	$500,947

General Notes

Some outlets have earned this amount. Your individual results may differ. There is no assurance you'll earn as much.

We calculated the data above based on unaudited sales reports provided to us by Mountain Mike's Pizza Restaurant franchisees. We have not audited nor independently verified this information. We will make available to you, upon reasonable request, written substantiation of the date used in preparing this Item 19. However, we will not disclose the identity or sales

data of any particular Mountain Mike's Pizza Restaurant franchisee without the consent of that franchisee, except to any applicable state registration authorities.

These financial performance representations do not include information concerning net profits that may be realized in the operation of a Mountain Mike's Pizza Restaurant. Net profits in the operation of a Mountain Mike's Pizza Restaurant will vary from franchisee to franchisee and from location to location and are dependent upon numerous factors beyond our control, including the management, business and marketing experience of the manager(s), the personality and attitude of the manager(s) and the employees in dealing with customers, the quality of customer service, the quality of the food and beverages prepared by the employees, prices charged to customers, traffic count, the location, visibility and accessibility to the Mountain Mike's Pizza Restaurant, the square footage of the Mountain Mike's Pizza Restaurant, demographic factors, including population density, the local competition, economic trends, food trends, marketing and promotional efforts, the length of time in operation and the culture relating to alcohol usage in the surrounding area of the Mountain Mike's Pizza Restaurant.

Numerous factors can affect the sales and expenses of a particular Mountain Mike's Pizza Restaurant, including, traffic count; accessibility and visibility of a site; the local marketplace and competition; general economic conditions; the prevailing wage rate; the sales level reached during the initial period; the franchisee's management skill, experience, business acumen, and ability to promote and market Mountain Mike's Pizza Restaurants in the local market; and the degree of adherence to our methods and procedures in operating the Mountain Mike's Pizza Restaurant.

Other than the financial performance representations above, MMP does not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. MMP also does not authorize its employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, MMP may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of you future income, you should report it to the franchisor's management by contacting Chris L. Britt, 24 Corporate Plaza, Suite 100, Newport Beach, CA 92660, (949) 438-1204, the Federal Trade Commission, and the appropriate state regulatory state agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION*

Table No. 1

Systemwide Outlet Summary
For years 2016 to 2018

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2016	164	175	+11
	2017	175	188	+13
	2018	188	204	+16
Company-Owned	2016	0	0	0
	2017	0	0	0
	2018	0	0	0
Total Outlets	2016	164	175	+11
	2017	175	188	+13
	2018	188	204	+16

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2016 to 2018

Column 1 State	Column 2 Year	Column 3 Number of Transfers
California	2016	4
	2017	22
	2018	10
Oregon	2016	0

* As described in Item 1, MMP became the franchisor of Mountain Mike's Pizza franchises in connection with the Transaction that closed in April 2017. For this reason, all numbers appearing in the tables below for 2015 are for COAC's, MMP's predecessor's, fiscal year beginning on October 1, 2014 and ending on September 30, 2015 and all numbers appearing in the tables below for 2016 are for COAC's fiscal year beginning on October 1, 2015 and ending on September 30, 2016. The numbers appearing in the tables below for 2017 are for October 1, 2016 to December 31, 2017, MMP's fiscal year end.

	2017	1
	2018	0
Total	2016	4
	2017	23
	2018	10

Table No. 3

Status of Franchised Outlets
For years 2016 to 2018

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations-Other Reasons	Col. 9 Outlets at End of the Year
California	2016	160	12	0	0	0	1	171
	2017	171	20	2	0	0	5	184
	2018	184	17	0	0	0	1	200
Nevada	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
Oregon	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
Utah	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
Totals	2016	164	12	0	0	0	1	175
	2017	175	20	2	0	0	5	188
	2018	188	17	0	0	0	1	204

Table No. 4

Status of Company-Owned Outlets
For years 2016 to 2018

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
California	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
Totals	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0

Table No. 5

Projected Openings as of December 31, 2018

Column 1 State	Column 2 Franchise Agreements Signed as of 12/31/18 But Restaurants Not Opened as of 12/31/18	Column 3 Projected New Franchised Restaurants In the Next Fiscal Year	Column 4 Projected New Company-Owned Restaurants In the Next Fiscal Year
California	3	27	0
All Other States	0	0	0
Totals	3	27	0

Exhibit G is a list of all Mountain Mike's Pizza Restaurant franchisees as of MMP's most recent fiscal year ended December 31, 2018, and the addresses and telephone numbers of their Restaurants. Exhibit I has the names, city and state, and current business telephone numbers (or, if unknown, the last known home telephone numbers) of the franchisees who had outlets terminated, cancelled, or not renewed, or otherwise voluntarily or involuntarily ceased to do business under MMP's Franchise Agreement (including as a result of transfers), from October 1, 2017 through December 31, 2018, the day MMP's most recent fiscal year ended, or who have not communicated with MMP within 10 weeks of the disclosure document's issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses restricting them from discussing with you their experiences as a franchisee in the Mountain Mike's Pizza franchise system. There are no trademark-specific franchisee organizations associated with the Mountain Mike's Pizza franchise system.

Item 21
FINANCIAL STATEMENTS

MMP's audited financial statements as of and for the year ended December 31, 2018 and as of and for the period from April 4, 2017 (the date the Transaction closed) to December 31, 2017 are included in Exhibit A. MMP has not been in business for three years or more (having been formed in February 2017) and cannot include all the financial statements required by the FTC Rule for its last three fiscal years. MMP's fiscal year ends on December 31.

Item 22
CONTRACTS

The following agreements/documents are exhibits:

(a) Franchise Agreement – Exhibit B

(b) Collateral Assignment of Lease – Exhibit C

(c) Principal's Agreement – Exhibit D

(d) Bank Account Debit Authorization – Exhibit H

(e) Renewal Rider to Franchise Agreement – Exhibit J

(f) Franchisee Representations – Exhibit K

(g) Adora Point-of-Sale System Service (SaaS) Agreement – Exhibit L

Item 23
RECEIPTS

MMP's and your copies of the Franchise Disclosure Document Receipt are located at the last 2 pages of this disclosure document.

EXHIBIT B

FRANCHISE AGREEMENT

MOUNTAIN MIKE'S PIZZA, LLC

FRANCHISE AGREEMENT

_____
FRANCHISEE

_____
DATE OF AGREEMENT

_____
ADDRESS OF RESTAURANT

_____

_____

TABLE OF CONTENTS

		Page
1.	PREAMBLES, ACKNOWLEDGMENTS AND GRANT OF FRANCHISE	1
	A. PREAMBLES.	1
	B. ACKNOWLEDGMENTS.	2
	C. CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP	3
	D. GRANT OF FRANCHISE.	3
	E. RIGHTS WE RESERVE.	4
2.	SITE SELECTION, LEASE OF PREMISES AND DEVELOPMENT AND OPENING OF RESTAURANT.	5
	A. SITE SELECTION.	5
	B. LEASE OF PREMISES.	5
	C. RESTAURANT DEVELOPMENT	5
	D. OPERATING ASSETS.	6
	E. COMPUTER SYSTEM.	7
	F. RESTAURANT OPENING	8
	G. GRAND OPENING MARKETING PROGRAM.	8
3.	FEES.	8
	A. INITIAL FRANCHISE FEE	8
	B. ROYALTY.	9
	C. DEFINITION OF "GROSS SALES".	9
	D. INTEREST ON LATE PAYMENTS.	10
	E. APPLICATION OF PAYMENTS	10
4.	TRAINING AND ASSISTANCE.	10
	A. TRAINING.	10
	B. GENERAL GUIDANCE.	11
	C. OPERATIONS MANUAL.	12
	D. DELEGATION OF PERFORMANCE.	13
5.	MARKS.	13
	A. OWNERSHIP AND GOODWILL OF MARKS	13
	B. LIMITATIONS ON YOUR USE OF MARKS	13
	C. NOTIFICATION OF INFRINGEMENTS AND CLAIMS.	14
	D. DISCONTINUANCE OF USE OF MARKS.	14
	E. INDEMNIFICATION FOR USE OF MARKS.	14
6.	CONFIDENTIAL INFORMATION.	14
7.	EXCLUSIVE RELATIONSHIP	16
8.	SYSTEM STANDARDS	17
	A. COMPLIANCE WITH SYSTEM STANDARDS.	17
	B. MODIFICATION OF SYSTEM STANDARDS.	20
	C. NON-COMPLIANCE FEE.	20
9.	MARKETING	21
	A. MARKETING FUND	21
	B. ADVERTISING COOPERATIVES	23
	C. BY YOU.	23
	D. SYSTEM WEBSITE AND INTRANET	24

TABLE OF CONTENTS

		Page
10.	RECORDS, REPORTS AND FINANCIAL STATEMENTS.	25
11.	INSPECTIONS AND AUDITS	26
	A. OUR RIGHT TO INSPECT THE RESTAURANT.	26
	B. OUR RIGHT TO AUDIT.	27
12.	TRANSFER.	27
	A. BY US.	27
	B. BY YOU.	28
	C. CONDITIONS FOR APPROVAL OF TRANSFER	29
	D. TRANSFER TO A WHOLLY-OWNED CORPORATION OR LIMITED LIABILITY COMPANY	31
	E. YOUR DEATH OR DISABILITY	32
	F. EFFECT OF CONSENT TO TRANSFER	33
	G. OUR RIGHT OF FIRST REFUSAL.	33
13.	EXPIRATION OF THIS AGREEMENT	34
	A. YOUR RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE.	34
	B. GRANT OF A SUCCESSOR FRANCHISE	35
	C. AGREEMENTS/RELEASES	36
14.	TERMINATION OF AGREEMENT.	37
	A. BY YOU.	37
	B. BY US.	37
	C. ASSUMPTION OF MANAGEMENT.	39
15.	OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT	40
	A. PAYMENT OF AMOUNTS OWED TO US.	40
	B. MARKS.	40
	C. CONFIDENTIAL INFORMATION.	41
	D. COVENANT NOT TO COMPETE.	41
	E. OUR RIGHT TO PURCHASE RESTAURANT.	42
	F. CONTINUING OBLIGATIONS	44
16.	RELATIONSHIP OF THE PARTIES/INDEMNIFICATION	45
	A. INDEPENDENT CONTRACTORS.	45
	B. NO LIABILITY FOR ACTS OF OTHER PARTY.	45
	C. TAXES	46
	D. INDEMNIFICATION	46
17.	ENFORCEMENT.	47
	A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.	47
	B. WAIVER OF OBLIGATIONS	48
	C. COSTS AND ATTORNEYS' FEES	49
	D. YOU MAY NOT WITHHOLD PAYMENTS DUE TO US	49
	E. RIGHTS OF PARTIES ARE CUMULATIVE.	49
	F. ARBITRATION.	50
	G. GOVERNING LAW	52
	H. CONSENT TO JURISDICTION	52
	I. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL	53

TABLE OF CONTENTS

Page

J. BINDING EFFECT. 53
K. LIMITATIONS OF CLAIMS 53
L. CONSTRUCTION 53
18. NOTICES AND PAYMENTS. 55
19. COMPLIANCE WITH ANTI-TERRORISM LAWS. 55

EXHIBITS

EXHIBIT A - LISTING OF OWNERSHIP INTERESTS
EXHIBIT B - EXCLUSIVE AREA

GUARANTY AND ASSUMPTION OF OBLIGATIONS

MOUNTAIN MIKE'S PIZZA, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into by and between **MOUNTAIN MIKE'S PIZZA, LLC**, a Delaware limited liability company, with its principal business address currently at 24 Corporate Plaza, Suite 100, Newport Beach, CA 92660 ("we," "us" or "our"), and _____, whose principal business address is _____ ("you" or "your"), as of the date we sign it as the franchisor, which is set forth next to our signature on this Agreement (the "Effective Date").

1. **PREAMBLES, ACKNOWLEDGMENTS AND GRANT OF FRANCHISE**

A. **PREAMBLES.**

(1) We and our predecessors have, since 1978, expended considerable time and effort in developing and operating a pizza restaurant concept offering pizza, sandwiches, salads and other food products and services. These restaurants operate under the "Mountain Mike's Pizza®" name ("Mountain Mike's Pizza® Restaurants") and have distinctive business formats, methods, procedures, designs, layouts, standards and specifications, all of which have been, or may be, improved, further developed or otherwise modified from time to time.

(2) We use, promote and license certain trademarks, service marks and other commercial symbols in operating Mountain Mike's Pizza Restaurants, including the trade and service mark "Mountain Mike's Pizza®," which have gained and continue to gain public acceptance and goodwill, and may continue to create, use and license additional trademarks, service marks and commercial symbols in operating Mountain Mike's Pizza Restaurants (collectively, the "Marks").

(3) We have chosen franchising as our business strategy for creating and keeping customers for Mountain Mike's Pizza. We grant to persons who meet our qualifications and are willing to undertake the investment and effort a franchise to own and operate a Mountain Mike's Pizza Restaurant offering the products and services we authorize and approve while utilizing our business formats, methods, procedures, signs, designs, layouts, equipment, standards, specifications and Marks (the "System").

(4) As a franchisee of a Mountain Mike's Pizza Restaurant, you will work with us to create and keep customers for Mountain Mike's Pizza Restaurants.

(5) You have applied for a franchise to own and operate a Mountain Mike's Pizza Restaurant.

B. **ACKNOWLEDGMENTS.**

You acknowledge that:

(1) You have conducted an independent investigation of the Mountain Mike's Pizza Restaurant franchise opportunity and recognize that, like any other business, the nature of the business conducted by a Mountain Mike's Pizza Restaurant may, and probably will, evolve and change over time.

(2) An investment in a Mountain Mike's Pizza Restaurant involves business risks.

(3) Your business abilities and efforts are vital to the success of your Mountain Mike's Pizza Restaurant.

(4) Creating customers for your Mountain Mike's Pizza Restaurant will require that you make consistent marketing efforts to your community through a variety of mediums, including local store marketing, media advertising, direct mail advertising and couponing, display and use of in-store promotional materials, participating in community groups and making presentations to community organizations and businesses.

(5) Keeping customers for your Mountain Mike's Pizza Restaurant will require you to execute a high level of customer service through strict adherence to the System and our System Standards (defined below).

(6) You are committed to maintaining the Mountain Mike's Pizza Restaurant System Standards for product quality and service and restaurant cleanliness.

(7) You have not received from us, and are not relying upon, any representations or guarantees, express or implied, as to the potential volume, sales, income, or profits of a Mountain Mike's Pizza Restaurant, that any information you have acquired from other Mountain Mike's Pizza Restaurant franchisees relating to their sales, profits or cash flows is not information obtained from us, and that we make no representation as to the accuracy of any such information.

(8) In all of their dealings with you, our officers, directors, employees and agents have acted only in a representative, and not in an individual, capacity and that business dealings between you and them as a result of this Agreement are solely between you and us.

(9) You have represented to us, as an inducement to our entry into this Agreement, that all statements you have made and all materials you have submitted to us in purchasing the franchise are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise.

(10) You have read this Agreement and our Franchise Disclosure Document and understand and accept that the terms, conditions and covenants which are contained in this Agreement are reasonably necessary for us to maintain our high standards of quality and service, as well as the uniformity of those standards at each Mountain Mike's Pizza Restaurant, and consequently protect and preserve the goodwill of the Marks.

C. **CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP.**

If you are at any time a corporation, limited liability company or partnership, you agree and represent that:

(1) You will have the authority to execute, deliver and perform your obligations under this Agreement, having obtained all required board of directors or other consents, and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation;

(2) Your organizational documents, operating agreement or partnership agreement will recite that the issuance and transfer of any ownership interests in you are restricted by the terms of this Agreement, and all certificates and other documents representing ownership interests in you will bear a legend referring to the restrictions of this Agreement;

(3) Exhibit A to this Agreement will completely and accurately describe all of your owners and their interests in you;

(4) Each of your owners at any time during the term of this Agreement, including after an approved transfer under Section 12, will execute an agreement in the form that we prescribe undertaking personally to be bound jointly and severally by all provisions of this Agreement and any ancillary agreements between you and us that bind you. You and your owners agree to execute and deliver to us such revised Exhibits A as may be necessary to reflect any changes in the information it contains and to furnish such other information about your organization or formation as we may request; and

(5) The RESTAURANT (as defined in Paragraph D below), and other Mountain Mike's Pizza Restaurants, will be the only businesses you operate (but your owners may have other, non-competitive businesses operated through separate entities).

D. **GRANT OF FRANCHISE.**

You have applied for a franchise to own and operate a Mountain Mike's Pizza Restaurant at _____ (the "Premises"). Subject to the terms of and upon the conditions contained in this Agreement, we hereby grant you a franchise (the "Franchise") to operate a Mountain Mike's Pizza Restaurant (the "RESTAURANT") at the Premises, and to use the System in its operation, for a term commencing on the effective date of this Agreement and expiring fifteen (15) years from that date, unless sooner terminated in accordance with Section 14 hereof. You agree to operate the

RESTAURANT in compliance with this Agreement for the entire Agreement term unless this Agreement is properly terminated under Section 14. During this Agreement's term, we (and our affiliates) will not establish, or grant to a franchisee the right to establish, another Mountain Mike's Pizza Restaurant that has its physical location within the geographical area set forth in Exhibit B attached hereto (the "Exclusive Area"). You may advertise the sale of the RESTAURANT's products without restriction inside and outside the Exclusive Area. However, you agree to submit to us for processing all product orders that are to be shipped or mailed to customers and that are not to be personally delivered by the RESTAURANT's employees. We will fill all of these orders at our expense and receive payment from customers for them. We may retain all revenue derived from these orders. You may not fill any orders to be shipped or mailed to customers. In addition, you may not engage in any promotional activities, or sell any food related products or services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system (collectively, the "Electronic Media").

You agree that you will at all times faithfully, honestly and diligently perform your obligations hereunder, continuously exert your best efforts to promote and enhance the RESTAURANT and not engage in any other business or activity that conflicts with your obligations to operate the RESTAURANT in compliance with this Agreement. You may not operate the RESTAURANT from any site other than the Premises without our prior written consent. You may use the Premises during this Agreement's term only for the RESTAURANT and branded Mountain Mike's operations. You may not, without our prior written consent (which we may grant or withhold as we deem best), sell any products or services, or engage in any business activities, at or from any part of the Premises other than the products, services, and business activities that we expressly authorize for Mountain Mike's Pizza Restaurants.

E. **RIGHTS WE RESERVE.**

We (and our affiliates) retain the right:

(1) to establish, and allow other franchisees to establish, Mountain Mike's Pizza Restaurants at any location outside the Exclusive Area (including at the boundary of the Exclusive Area) and on any terms and conditions as we deem appropriate;

(2) to sell and deliver, and allow other franchisees to sell and deliver, products and services identified by the Marks to customers located within the Exclusive Area from Mountain Mike's Pizza Restaurants physically located outside the Exclusive Area;

(3) to sell products identified by the Marks, or other trademarks or service marks, within and outside the Exclusive Area through any distribution channels we think best, wherever located or operating (including, but not limited to, the Internet, mail order, convenience and grocery stores, hospitals, and schools), except not through Mountain Mike's Pizza Restaurants that have their physical locations within the Exclusive Area; and

(4) to engage in any other business activities not expressly prohibited by this Agreement, both within and outside the Exclusive Area.

2. SITE SELECTION, LEASE OF PREMISES AND DEVELOPMENT AND OPENING OF RESTAURANT.

A. SITE SELECTION.

You acknowledge that, before signing this Agreement, you (with or without our assistance) located and we accepted the site for the Premises. You acknowledge and agree that our recommendation or acceptance of the Premises, and any information regarding the Premises communicated to you, do not constitute a representation or warranty of any kind, express or implied, as to the suitability of the Premises for a Mountain Mike's Pizza Restaurant or for any other purpose. Our recommendation or acceptance of the Premises indicates only that we believe that the Premises meets or has the potential to meet, or that we have waived, our then current criteria for sites and premises. Application of criteria that have appeared effective with respect to other sites and premises may not accurately reflect the potential for all sites and premises, and, after our acceptance of a site, demographic and/or other factors included in or excluded from our criteria could change, thereby altering the potential of a site and premises. The uncertainty and instability of these criteria are beyond our control, and we will not be responsible for the failure of a site and premises we have recommended or accepted to meet your expectations as to potential revenue or operational criteria. You acknowledge and agree that your acceptance of the Franchise is based on your own independent investigation of the suitability of the Premises.

B. LEASE OF PREMISES.

You acknowledge that you have approved, and we have accepted, the lease or sublease for the Premises (the "Lease") before signing this Agreement. You represent that a copy of the signed Lease already has been delivered to us or will be delivered to us within fifteen (15) days after its execution. At our request, you agree that you will collaterally assign the Lease to us as security for your timely performance of all obligations under this Agreement and secure the lessor's or sublessor's consent to the collateral assignment. You acknowledge that our acceptance of the Lease does not constitute a guarantee or warranty, express or implied, of the successful operation or profitability of a Mountain Mike's Pizza Restaurant operated at the Premises. This acceptance indicates only that we believe that the Premises and the terms of the Lease fall within the acceptable criteria we have established as of the time of our acceptance.

C. RESTAURANT DEVELOPMENT.

You are responsible for developing the RESTAURANT. We will furnish you with mandatory and suggested specifications and layouts for a Mountain Mike's Pizza Restaurant, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings and color scheme. You are obligated to prepare all required construction plans and specifications to suit the shape and dimensions of the Premises and to ensure that these plans and specifications comply with applicable ordinances, building codes and permit requirements

and with lease requirements and restrictions. You are obligated to submit construction plans and specifications to us for approval before construction of the RESTAURANT is commenced and all revised or "as built" plans and specifications during the course of construction. Our review is limited to your compliance with our design requirements. However, our design requirements might not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act (the "ADA") or similar rules governing public accommodations for disabled persons. Therefore, you must make sure that your plans and specifications comply with our requirements, the ADA and similar rules, other applicable ordinances, building codes, permit requirements, and lease requirements and restrictions. We might not assess compliance with federal, state, or local laws and regulations, including the ADA. We can periodically inspect the Premises during the RESTAURANT's development. You (and not we) are responsible for the performance of architects, contractors, and subcontractors you hire to construct, develop, and maintain the RESTAURANT and for ensuring that sufficient insurance coverage is in place during the construction process.

You agree, at your own expense, to do the following to develop the RESTAURANT at the Premises:

(1) secure all financing required to develop and operate the RESTAURANT;

(2) obtain all building, utility, sign, health, sanitation, business, liquor and other permits and licenses required to construct and operate the RESTAURANT;

(3) construct all required improvements to the Premises and decorate the RESTAURANT in compliance with plans and specifications we have approved;

(4) purchase or lease and install all required fixtures, furniture, equipment (including a computer, telecopier, and point-of-sale information system), furnishings and signs (collectively, "Operating Assets") required for the RESTAURANT;

(5) purchase an opening inventory of authorized and approved products, materials and supplies ("Supplies"); and

(6) give us copies of the documents that we periodically require.

D. **OPERATING ASSETS.**

You agree to use in developing and operating the RESTAURANT only those Operating Assets that we have approved for Mountain Mike's Pizza Restaurants as meeting our specifications and standards for quality, design, appearance, function and performance. You agree to place or display at the Premises (interior and exterior) only such signs, emblems, lettering, logos and display materials that we approve from time to time. You agree to purchase or lease approved brands, types or models of Operating Assets only from suppliers we have designated or approved (which may include or be limited to us and/or our affiliates).

E. **COMPUTER SYSTEM.**

You agree to use in operating the RESTAURANT the computer equipment, technology products, and technology systems ("Computer System") we specify or approve, which includes a point-of-sale system and all equipment components and software necessary for you to accept and process online orders and our gift and loyalty cards and participate in our gift card, customer loyalty, affinity, and similar programs. You must ensure that the Computer System and networks are adequately maintained and protected from unauthorized access. You must subscribe to a service we specify to install an appropriate firewall. You must ensure that all operating systems software is regularly maintained and updated in accordance with the manufacturers' specifications and in compliance with Payment Card Industry (PCI) Compliance Standards. We may require you to obtain specified equipment and/or software and may modify specifications for and components of the Computer System from time to time. Our modification of specifications for the components of the Computer System may require you to incur costs to purchase, lease and/or license new or modified equipment and/or software and to obtain service and support for the Computer System during the term of this Agreement. You acknowledge that we cannot estimate the future costs of the Computer System and that your cost of obtaining the Computer System may not be fully amortizable over the remaining term of this Agreement. Nonetheless, you agree to incur these costs in obtaining the equipment and software comprising the Computer System (or additions or modifications thereto). Within sixty (60) days after you receive notice from us, you agree to obtain the components of the Computer System that we designate and require.

We and our affiliates may condition any license of required or recommended proprietary software to you, and/or your use of technology developed or maintained by or for us (including the Intranet), on your signing a software license agreement or similar document, or otherwise agreeing to the terms (for example, by acknowledging your consent to and accepting the terms of a click through license agreement), that we and our affiliates periodically prescribe to regulate your use of, and our (or our affiliates') and your respective rights and responsibilities with respect to, the software or technology. We and our affiliates may charge you upfront and ongoing fees for any required or recommended proprietary software or technology we or our affiliates license to you and for other Computer System maintenance and support services provided during this Agreement's term.

Despite your obligation to buy, use, and maintain the Computer System according to our standards and specifications, you have sole and complete responsibility for: (1) acquiring, operating, maintaining, and upgrading the Computer System; (2) the manner in which your Computer System interfaces with our and any third party's computer system; and (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded. The Computer System must permit twenty-four (24) hours per day, seven (7) days per week electronic communications between you and us, including access to the Internet and Intranet (but excluding matters relating to labor relations and employment practices).

F. **RESTAURANT OPENING.**

You agree not to open the RESTAURANT for business until:

(1) the RESTAURANT has been developed according to our specifications and standards and we notify you in writing that the RESTAURANT is acceptable (although our acceptance is not a representation or warranty, express or implied, that the RESTAURANT complies with any engineering, licensing, environmental, labor, health, building, fire, sanitation, occupational, landlord's, insurance, safety, tax, governmental, or other statutes, rules, regulations, requirements, or recommendations or a waiver of our right to require continuing compliance with our requirements, standards, or policies);

(2) pre-opening training has been completed to our satisfaction;

(3) the initial franchise fee and all other amounts then due to us have been paid; and

(4) we have been furnished with copies of all insurance policies required by this Agreement, or other evidence of insurance coverage and payment of premiums that we request or accept.

Subject to your compliance with these conditions, you agree to open the RESTAURANT for business within one hundred eighty (180) days after this Agreement's effective date or on or before the date specified in the Lease, whichever is earlier.

G. **GRAND OPENING MARKETING PROGRAM.**

You agree to pay us, upon the execution of this Agreement, a grand opening marketing fee in the amount of Four Thousand Dollars ($4,000). We will disburse these amounts for the RESTAURANT's grand opening marketing program, which will utilize the marketing and public relations programs and media and advertising materials we have developed or approved. If we spend less than this Four Thousand Dollars ($4,000) for the RESTAURANT's grand opening marketing program, we will not refund the difference to you but will deposit the difference into the Marketing Fund.

3. **FEES.**

A. **INITIAL FRANCHISE FEE.**

You agree to pay us upon signing this Agreement a nonrecurring and nonrefundable initial franchise fee in the amount of Thirty Thousand Dollars ($30,000), which we will fully earn upon our execution of this Agreement. The initial franchise fee is not in exchange for any particular products, services, or assistance but instead is solely in consideration of our signing this Agreement.

B. **ROYALTY.**

You agree to pay us a weekly royalty ("Royalty") in the amount of five percent (5%) of the RESTAURANT's gross sales (as defined in Paragraph C of this Section). You must sign and deliver to us, before the RESTAURANT opens, the documents we require to authorize us to debit your business checking account automatically for the Royalty and other amounts due under this Agreement. On each Monday, you must report to us by telephone or electronic means or in written form, as we direct, the RESTAURANT's true and correct Gross Sales for the week ending on the immediately preceding Sunday. We will debit your account on Wednesday for the Royalty that is due on account of these Gross Sales. You agree to make the necessary funds available in your account for withdrawal before each Wednesday.

If you fail to report the RESTAURANT's Gross Sales on a weekly basis as required, we can debit your account each Wednesday for one hundred twenty percent (120%) of the Royalty that we debited during the previous week. If the Royalty we debit from your account is less than the Royalty you actually owe us (once we have determined the RESTAURANT's true and correct Gross Sales for the week), we will debit your account for the balance of the Royalty due on the following Wednesday. If the Royalty we debit from your account is greater than the Royalty you actually owe us for the week, we will credit the excess against the amount we otherwise would debit from your account on the following Wednesday.

We can require you to pay the Royalty by means other than automatic debit (e.g., by check) whenever we deem appropriate, and you agree to comply with our payment instructions. The Royalty is not in exchange for any particular products, services, or assistance but instead is solely in consideration of our granting the Franchise to you.

C. **DEFINITION OF "GROSS SALES".**

As used in this Agreement, the term "Gross Sales" means all revenue from operating the RESTAURANT, including, but not limited to, all revenue from games and other vending machines, delivery and service fees, all amounts you receive at or away from the Premises, and the proceeds of business interruption insurance and rental income of any type, whether from cash, check, credit and debit card, trade credit or credit transactions, but (1) excluding all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority and (2) reduced by customer refunds, adjustments, credits and allowances actually made by the RESTAURANT (if the original payment was included in Gross Sales). For the avoidance of doubt, "Gross Sales" includes the amount charged to customers for menu items delivered by third party delivery service providers, as opposed to the net amount you receive after paying to the third party delivery service provider (either directly or via the third party's withholding of) a fee based on a percentage of those amounts. If you sell any products or services, or engage in any business activities, at or from any part of the Premises other than the products, services, and business activities that we expressly authorize for Mountain Mike's Pizza Restaurants (which you may do only with our prior written consent, which we may grant or withhold as we deem best), all revenue you derive from selling those products or services or engaging in those business activities at or from the Premises will be included in and/or added to,

and deemed to be part of, the RESTAURANT's Gross Sales, without any deductions whatsoever, for purposes of calculating your Royalty and Marketing Fund contributions under this Agreement, even if those products, services, or business activities do not directly use or are not directly associated with any of the Marks. To ensure that the Gross Sales you report to us include all required revenue you derive from operating the RESTAURANT, we have the right to receive directly from all third-party and other vendors with whom the RESTAURANT does business, upon our request to them, all financial and other information regarding their dealings with the RESTAURANT, including any sales the RESTAURANT makes to or through them or on account of the services they provide. You hereby authorize those third-party and other vendors to respond to our requests by disclosing to or sending us all such financial and other information regarding their dealings with the RESTAURANT. You acknowledge that this provision is the only authority the third-party and other vendors need in order to do so.

D. **INTEREST ON LATE PAYMENTS.**

All amounts which you owe us, if more than seven (7) days late, will bear interest beginning after their original due date at the rate of one and one-half percent (1.5%) per month or the highest contract rate of interest permitted by law, whichever is less. In addition, you agree to pay us a service charge of One Hundred Dollars ($100) for each required payment not made on or before its original due date and for each late sales report (including weekly electronic and/or monthly hard copy reporting). This service charge is not interest or a penalty. It is solely to compensate us for increased administrative and management costs due to your late payment. We can debit your account for these amounts. You acknowledge that this Paragraph does not constitute our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the RESTAURANT. Your failure to pay all amounts when due constitutes grounds for termination of this Agreement, as provided in Section 14 hereof, notwithstanding the provisions of this Paragraph.

E. **APPLICATION OF PAYMENTS.**

Notwithstanding any designation you might make, we may apply any of your payments to any of your past due indebtedness to us. You acknowledge and agree that we can set off any amounts you or your owners owe us or our affiliates (regardless of the source of your or your owners' obligation to us) against any amounts we or our affiliates might owe you or your owners (regardless of the source of our or their obligation to you). You cannot withhold payment of any amounts owed to us due to our alleged nonperformance of any of our obligations under this Agreement.

4. **TRAINING AND ASSISTANCE.**

A. **TRAINING.**

Before the RESTAURANT begins operating, we will furnish initial training on the operation of a Mountain Mike's Pizza Restaurant to you (or, if you are a corporation, limited liability company or partnership, your managing shareholder, partner or member ("Managing Owner")) and one (1) supervisory employee who actually will manage the RESTAURANT

on-site. Training focuses on our philosophy, System Standards, and the material aspects of operating a Mountain Mike's Pizza Restaurant, excluding aspects relating to labor relations and employment practices. Up to fifteen (15) days of training for you (or your Managing Owner) and your supervisory employee will be furnished at our designated training facility and/or at an operating Mountain Mike's Pizza Restaurant. You (or your Managing Owner) and your supervisory employee are required to complete the initial training to our satisfaction and to participate in all other activities required to operate the RESTAURANT so that the quality of the products, services, and Mountain Mike's Pizza brand is maintained. Although we will furnish initial training to you (or your Managing Owner) and one (1) supervisory employee at no additional fee or other charge, you will be responsible for all travel and living expenses which you (or your Managing Owner) and your supervisory employee incur while training. We will provide up to ten (10) days (at our discretion) of additional training at the RESTAURANT to the RESTAURANT's management personnel on our philosophy and System Standards and not on matters relating to labor relations and employment practices. This training will be provided before and after the RESTAURANT begins operations. You agree to pay our then current fee for training a replacement manager if your originally-appointed RESTAURANT manager is not qualified to hold that position. If we determine that you (or your Managing Owner) are unable to complete initial training to our satisfaction, we can terminate this Agreement under Section 14 hereof.

You (or your Managing Owner) may request additional training during the initial training program, excluding training relating to labor relations and employment practices, to be provided at no additional charge, if you (or your Managing Owner) do not feel completely trained in the operation of a Mountain Mike's Pizza Restaurant (other than areas relating to labor relations and employment practices). We and you will jointly determine the duration of this additional training. However, if you (or your Managing Owner) satisfactorily complete our initial training program, and do not expressly inform us at the end of the initial training program that you (or your Managing Owner) do not feel completely trained in the operation of a Mountain Mike's Pizza Restaurant, then you will be deemed to have been trained sufficiently to operate a Mountain Mike's Pizza Restaurant.

We may require you (or your Managing Owner) and/or previously trained and experienced supervisory employees to attend periodic refresher training courses at the times and locations that we designate, for which we may charge fees. We also may require you to pay us fees for training new supervisory employees hired after the RESTAURANT's opening. You agree to give us reasonable assistance in training other Mountain Mike's Pizza Restaurant franchisees (in areas other than those relating to labor relations and employment practices). We will reimburse you for providing this assistance.

B. **GENERAL GUIDANCE.**

We may advise you from time to time regarding the RESTAURANT's operation based on reports you submit to us or inspections we make. In addition, we may provide recommendations to you with respect to:

(1) standards, specifications and operating procedures and methods utilized by Mountain Mike's Pizza Restaurants;

(2) purchasing required Operating Assets and Supplies:

(3) advertising and marketing programs;

(4) supervisory employee training; and

(5) administrative, bookkeeping and accounting procedures.

We may provide recommendations in our operations manual ("Operations Manual"); in bulletins or other written materials; by Electronic Media and Intranets; by telephone consultation; and/or at our office or the RESTAURANT. If you request and we agree to provide, or we determine that you need, additional or special guidance, assistance, or training during this Agreement's term, you agree to pay our personnel's per diem charges (including wages) and travel, hotel, and living expenses. An "Intranet" means an internal network that we design and administer for the Mountain Mike's system through which members of the Mountain Mike's system may, in compliance with our terms of use and other System Standards, communicate with each other and through which we may circulate updates to the Operations Manual and other Confidential Information.

C. **OPERATIONS MANUAL.**

We will give you access during the term of this Agreement to our Operations Manual, consisting of the materials (including, as applicable, audio, video, written, and on-line materials) that we generally furnish to franchisees from time to time for use in operating a Mountain Mike's Pizza Restaurant. The Operations Manual contains mandatory specifications, standards, operating procedures and rules ("System Standards") that we prescribe from time to time for the operation of a Mountain Mike's Pizza Restaurant, information on your other obligations under this Agreement, and recommendations for operations. We may modify the Operations Manual from time to time to reflect changes in System Standards. You agree to keep your copy of the Operations Manual, whether provided in hard copy or electronically, current and secure. In the event of a dispute over its contents, the master copy of the Operations Manual we maintain will be controlling. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Operations Manual. If you have a hard copy of the Operations Manual and it is lost, destroyed or significantly damaged, you agree to obtain a replacement copy at our then applicable charge.

We may, at our option, post some or all of the Operations Manual on a System Website or Intranet. If we do so, you must monitor and access the System Website or Intranet for updates to the Operations Manual and System Standards. Any passwords or other digital identifications necessary to access the Operations Manual on the System Website or Intranet will be a part of Confidential Information. We may require you to return a portion or the entire copy of the Operations Manual given to you in paper or other tangible form if we post some or all of the Operations Manual on a System Website or Intranet.

D. **DELEGATION OF PERFORMANCE.**

You agree that we have the right to delegate the performance of any portion or all of our obligations and duties under this Agreement to designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations.

5. **MARKS.**

A. **OWNERSHIP AND GOODWILL OF MARKS.**

Your right to use the Marks is derived solely from this Agreement and limited to your operation of the RESTAURANT pursuant to and in compliance with this Agreement and all System Standards we prescribe from time to time during its term. Your unauthorized use of the Marks will be a breach of this Agreement and an infringement of our rights in and to the Marks. You acknowledge and agree that your usage of the Marks and any goodwill established by this use will be exclusively for our benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the RESTAURANT under this Agreement). All provisions of this Agreement applicable to the Marks apply to any additional proprietary trade and service marks and commercial symbols we authorize you to use.

B. **LIMITATIONS ON YOUR USE OF MARKS.**

You agree to use the Marks as the sole identification of your RESTAURANT. You may not use any Mark (1) as part of any corporate or legal business name, (2) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products, (4) as part of any domain name, electronic address or social media account/platform you maintain on any Electronic Media, unless and then only to the extent that we authorize you to do so, or (5) in any other manner we have not expressly authorized in writing. You may not use any mark in advertising the transfer, sale, or other disposition of the RESTAURANT or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe at the RESTAURANT and on forms, advertising, supplies, and other materials we designate. To the extent you use any Mark in employment-related materials, you must include a clear disclaimer that you (and only you) are the employer of employees at the RESTAURANT and that we, as the franchisor of Mountain Mike's Pizza Restaurants, are not their employer and do not engage in any employer-type activities for which only franchisees are responsible, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. You agree to give the notices of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law. At our request, you agree to participate, in the manner we specify, in any System Website we establish for the Mountain Mike's Pizza system. We define a "Website" as an interactive electronic document contained in a network of computers linked by communications software, including the Internet and World Wide Web Home Pages.

C. **NOTIFICATION OF INFRINGEMENTS AND CLAIMS.**

You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any claim by any person of any rights in any Mark, and not to communicate with any person other than us and our attorneys, and your attorneys, in any infringement, challenge or claim. We have sole discretion to take the action we deem appropriate (including no action) and the right to control exclusively any litigation, U.S. Patent and Trademark Office proceeding or any other administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to any Mark. You agree to sign any and all instruments and documents, render the assistance and do the acts and things that, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Marks.

D. **DISCONTINUANCE OF USE OF MARKS.**

If it becomes advisable at any time in our sole discretion for us and/or you to modify or discontinue the use of any Mark and/or use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We will reimburse you for your reasonable direct expenses of changing the RESTAURANT's signs. However, we will not be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Mark or for any expenditure you make to promote a modified or substitute trademark or service mark.

E. **INDEMNIFICATION FOR USE OF MARKS.**

We agree to reimburse your damages and expenses incurred in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement, provided your use has been consistent with this Agreement, the Operations Manual, and System Standards communicated to you and you have timely notified us of, and complied with our directions in responding to, the proceeding. At our option, we may defend and control the defense of any proceeding arising from or relating to your use of any Mark under this Agreement.

6. **CONFIDENTIAL INFORMATION.**

We possess (and will continue to develop and acquire) certain confidential information (the "Confidential Information") relating to the development and operation of Mountain Mike's Pizza Restaurants, which includes (without limitation):

(1) recipes;

(2) site selection criteria;

(3) training and operations materials, manuals, and software;

(4) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge and experience used in developing and operating Mountain Mike's Pizza Restaurants;

(5) marketing and advertising programs for Mountain Mike's Pizza Restaurants;

(6) knowledge of specifications for and suppliers of certain Operating Assets and Supplies;

(7) computer software or similar technology that is proprietary to us, our affiliates, or the System, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;

(8) knowledge of the operating results and financial performance of Mountain Mike's Pizza Restaurants other than the RESTAURANT; and

(9) graphic designs and related intellectual property.

You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to utilize Confidential Information disclosed to you in operating the RESTAURANT during the term of this Agreement, and that the use or duplication of any Confidential Information in any other business would constitute an unfair method of competition. You further acknowledge and agree that Confidential Information is proprietary, includes our trade secrets and is disclosed to you solely on the condition that you agree, and you do hereby agree, that you:

(a) will not use Confidential Information in any other business or capacity;

(b) will maintain the absolute confidentiality of Confidential Information during and after the term of this Agreement;

(c) will not make unauthorized copies of any portion of Confidential Information disclosed via electronic medium or in written or other tangible form; and

(d) will adopt and implement all reasonable procedures that we prescribe from time to time to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restrictions on disclosure thereof to RESTAURANT personnel and others and using non-disclosure agreements with those having access to Confidential Information. We have the right to review and pre-approve the form of non-disclosure agreement that you use—solely to ensure that you adequately protect Confidential Information—and to be a third party beneficiary of that agreement with independent enforcement

rights. Under no circumstances will we control the forms or terms of employment agreements you use with the RESTAURANT's employees or otherwise be responsible for your labor relations or employment practices.

You agree that we (and our affiliates) will have the perpetual royalty-free right to use and authorize other Mountain Mike's Pizza Restaurant franchisees to use, and you agree fully and promptly to disclose to us, all ideas, concepts, formulas, recipes, techniques or materials relating to a Mountain Mike's Pizza Restaurant that you and/or your employees conceive or develop during the term of this Agreement.

Despite the foregoing, Confidential Information does not include information, knowledge or know-how which a person can prove he or she knew before becoming aware of it as a result of anything we or a franchisee provided directly or indirectly or before his or her operation of or presence at the RESTAURANT. If we include any matter in Confidential Information, anyone who claims that it is not Confidential Information has the burden of proving that the exclusion provided in this paragraph is fulfilled.

7. EXCLUSIVE RELATIONSHIP.

You acknowledge and agree that we would be unable to protect Confidential Information against unauthorized use or disclosure or to encourage a free exchange of ideas and information among Mountain Mike's Pizza Restaurants if franchisees of Mountain Mike's Pizza Restaurants were permitted to hold interests in or perform services for a Competitive Business (defined below). You also acknowledge that we have granted the Franchise to you in consideration of and reliance upon your agreement to deal exclusively with us. You therefore agree that, during the term of this Agreement, neither you nor any of your owners (nor any of your or your owners' spouses) will:

(1) have any direct or indirect controlling interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business, wherever located or operating;

(2) have any direct or indirect interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business operating within twenty-five (25) miles of the RESTAURANT;

(3) have any direct or indirect interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business operating within ten (10) miles of any Mountain Mike's Pizza Restaurant other than the RESTAURANT (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded will not be deemed to violate this subparagraph);

(4) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, wherever located;

(5) divert or attempt to divert any actual or potential business or customer of the RESTAURANT to another business; or

(6) engage in any other activity that may injure the goodwill of the Marks and System.

The term "Competitive Business," as used in this Agreement, means any business operating, or granting franchises or licenses to others to operate, any restaurant or food service business featuring pizza as a primary product (other than a Mountain Mike's Pizza Restaurant operated under a franchise agreement with us). You agree to obtain reasonable noncompetition covenants from the RESTAURANT's supervisory personnel as necessary to protect our Confidential Information and the competitiveness of Mountain Mike's Pizza Restaurants. However, under no circumstances will we control the forms or terms of employment agreements you use with RESTAURANT employees or otherwise be responsible for your labor relations or employment practices.

8. SYSTEM STANDARDS.

A. COMPLIANCE WITH SYSTEM STANDARDS.

You acknowledge and agree that your operation and maintenance of the RESTAURANT according to System Standards are essential to preserve the goodwill of the Marks and all Mountain Mike's Pizza Restaurants. *Therefore, at all times during the term of this Agreement, you agree to operate and maintain the RESTAURANT according to each and every System Standard, as we periodically modify and supplement them during the term of this Agreement, even if you believe that a System Standard, as originally issued or subsequently modified or supplemented, is not in the System's or your RESTAURANT's best interests.* Although we retain the right to establish and periodically modify System Standards, you retain the right to control, and responsibility for, the RESTAURANT's management and operation and implementing and maintaining System Standards at the RESTAURANT. System Standards may regulate any one or more of the following for the RESTAURANT:

(1) design, layout, decor, appearance and lighting; periodic maintenance, cleaning and sanitation; periodic remodeling; replacement of obsolete or worn-out leasehold improvements and Operating Assets; periodic painting; and use of interior and exterior signs, emblems, lettering and logos;

(2) types, models and brands of required Operating Assets and Supplies;

(3) required or authorized products and services and product and service categories; product preparation, storage, handling and packaging procedures; and product inventory requirements;

(4) designated or approved suppliers of Operating Assets, Supplies, and/or services (which may be limited to or include us and our affiliates, in which case you will

be obligated to acquire certain items for your RESTAURANT only from us and/or our affiliates at the prices we decide to charge) and supplier approval procedures and criteria;

(5) terms and conditions of the sale and delivery of, and terms and methods of payment for, Supplies and services that you obtain from us and affiliated and unaffiliated suppliers; our right not to sell any products to you, or to sell products to you only on a "cash-on-delivery" or other basis, if you are in default under any agreement with us; our right (without liability) to consult with your suppliers about the status of your account with them and to advise your suppliers and others with whom you, we and other franchisees deal that you are in default under any agreement with us; and our right to receive payments (including, without limitation, rebates, credits and/or other fees) from suppliers on account of their dealings with you and other franchisees and to keep or use all amounts we receive without restriction for any purposes we deem appropriate;

(6) sales, marketing, advertising and promotional programs and materials and media used in these programs;

(7) use and display of the Marks;

(8) staffing the RESTAURANT as necessary to operate the RESTAURANT in compliance with System Standards and employee dress and appearance. However, you have sole responsibility and authority for your labor relations and employment practices, including, among other things, employee selection, promotion, termination, hours worked, rates of pay, benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. You must communicate clearly with RESTAURANT employees in your employment agreements, human resource manuals, written and electronic correspondence, paychecks, and other materials that you (and only you) are their employer and that we, as the franchisor of Mountain Mike's Pizza Restaurants, are not their employer and do not engage in any employer-type activities (including those described above) for which only franchisees are responsible. RESTAURANT employees are under your control at the RESTAURANT. You must obtain an acknowledgment (in the form we specify or approve) from all RESTAURANT employees that you (and not we) are their employer;

(9) days and hours of operation of the RESTAURANT;

(10) participation in market research and testing and product and service development programs;

(11) acceptance of credit and debit cards, other payment systems and check verification services;

(12) your complying with our customer-complaint-resolution procedures and reimbursing us promptly for our out-of-pocket costs if we resolve a customer complaint because you fail to do so as or when we require;

(13) bookkeeping, accounting, data processing and record keeping systems and forms; methods, formats, content and frequency of reports to us of sales, revenue, financial performance and condition; and furnishing tax returns and other operating and financial information to us (excluding employee- and employment-related information);

(14) types, amounts, terms and conditions of insurance coverage required to be carried for the RESTAURANT and standards for underwriters of policies providing required insurance coverage; our protection and rights under these policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage for the RESTAURANT at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims;

(15) complying with applicable laws; obtaining required licenses and permits; adhering to good business practices; observing high standards of honesty, integrity, fair dealing and ethical business conduct in all dealings with customers, suppliers and us; and notifying us if any action, suit or proceeding is commenced against you or the RESTAURANT or if you receive any report, citation or notice regarding the RESTAURANT's failure to comply with any health, cleanliness or safety standard;

(16) participating in, and complying with the requirements of, all mandatory promotional programs, gift and loyalty programs, affinity and similar programs. This participation includes, but is not limited to, limited time offers, campaigns, special offers or coupons that we distribute nationally or locally by e-mail, our website, electronically, online, social networking sites, direct mail, or other method of distribution. You must issue, honor, redeem and follow our guidelines on the acceptance and reimbursement of gift certificates, gift cards, rewards coupons, loyalty offers and other promotional programs we provide in our manuals or otherwise in writing. We may keep any monies that are not used by customers to the extent allowed by applicable law; and

(17) regulation of any other aspects of the operation and maintenance of the RESTAURANT that we determine from time to time to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and Mountain Mike's Pizza Restaurants.

You agree that System Standards prescribed from time to time in the Operations Manual, or otherwise communicated to you in writing or other tangible form, constitute provisions of this Agreement as if fully set forth herein. All references to this Agreement include all System Standards as periodically modified.

If we approve you to offer delivery and/or catering services in connection with the RESTAURANT, you must make accommodations for delivery and/or catering services in compliance with our System Standards set forth in the Operations Manual or otherwise in writing by us, including without limitation, utilizing only the specified designated delivery and/or catering service providers we identify, making available the products and services identified as

appropriate for delivery and/or catering (and only those designated products and services), and limiting the delivery and/or catering services to any delivery and/or catering area we specify to you in writing. You acknowledge and agree that any delivery and/or catering area we specify is not exclusive and we may engage, and/or allow other franchisees and third parties to engage, in any activities we desire within the delivery and/or catering area without any restrictions (including allowing other Mountain Mike's Pizza Restaurant franchisees and delivery and/or catering service providers to provide delivery and/or catering services in the delivery and/or catering area). You further acknowledge and agree that any delivery and/or catering area we specify is nothing more than the geographic boundaries in which you may deliver and/or cater those products and services approved for delivery and/or catering from the RESTAURANT, and no other rights are granted to you whatsoever.

B. **MODIFICATION OF SYSTEM STANDARDS.**

We may periodically modify System Standards, which may accommodate regional or local variations as we determine, and any modifications may obligate you to invest additional capital in the RESTAURANT ("Capital Modifications") and/or incur higher operating costs. Except for changes in the Computer System (the amounts for and timing of which are not limited), we will not obligate you to make any Capital Modifications during the first three (3) years of the term of this Agreement or after that time when the investment cannot in our reasonable judgment be amortized during the remaining term of this Agreement, unless we agree to extend the term of this Agreement so that the additional investment, in our reasonable judgment, may be amortized, or unless the investment is necessary in order to comply with applicable laws. We agree to give you sixty (60) days to comply with Capital Modifications we require that will cost up to Five Thousand Dollars ($5,000), ninety (90) days to comply with Capital Modifications we require that will cost between Five Thousand Dollars ($5,000) and Ten Thousand Dollars ($10,000), and one hundred twenty (120) days to comply with Capital Modifications we require that will cost over Ten Thousand Dollars ($10,000). Your failure to comply with modifications to System Standards within the required time periods is an incurable default under this Agreement, as provided in Section 14.B. below.

C. **NON-COMPLIANCE FEE.**

You acknowledge the importance of operating the RESTAURANT in full compliance with this Agreement and our System Standards set forth in the Operations Manual or otherwise communicated to you. You further acknowledge that your deviation from any contractual requirement, including any System Standard, is a violation of this Agreement and will require us to incur incalculable administrative and management costs to address the violation (separate and apart from any damages your violation might cause to the Mountain Mike's Pizza® System, our business opportunities, and the goodwill associated with the Marks). Therefore, you agree that, in order to compensate us for our incalculable administrative and management costs due to your operational violations, you must pay us, at our option, Five Hundred Dollars ($500) for each deviation from a contractual requirement, including any System Standard, cited by us (the "Non-Compliance Fee"). However, if we discover that same (or a substantially similar) deviation on one or more consecutive, subsequent visits to or inspections of the RESTAURANT, the Non-

Compliance Fee will, at our option, be One Thousand Dollars ($1,000) for the first repeat deviation and Two Thousand Dollars ($2,000) for the second and each subsequent repeat deviation. (The Non-Compliance Fee does not apply to payment defaults for which we may charge interest and service charges under Subsection 3.D. above.) The Non-Compliance Fee, should one be charged, is deemed by us and you to be a reasonable estimate of our administrative and management costs and is not a penalty. We may debit your account for Non- Compliance Fees, or set off monies otherwise due and payable to you, to cover the payment of Non-Compliance Fees. Non-Compliance Fees are due and payable to us within five (5) days after we notify you that we are charging you the Non-Compliance Fee due to your violation. We need not give you a cure opportunity before charging the Non-Compliance Fee. Charging the Non-Compliance Fee does not preclude us from seeking to recover damages to the Mountain Mike's Pizza® System, our business opportunities, or the goodwill associated with the Marks due to your violation, seeking injunctive relief to restrain any subsequent or continuing violation, formally defaulting you and terminating this Agreement under Section 14.B., or exercising any of our other rights under this Agreement.

9. MARKETING.

A. MARKETING FUND.

Recognizing the value of advertising and marketing to the goodwill and public image of Mountain Mike's Pizza Restaurants, we have established a marketing fund (the "Marketing Fund") for the advertising, marketing and public relations programs and materials we deem appropriate. You agree to contribute to the Marketing Fund the amounts that we prescribe from time to time, not to exceed one percent (1%) of the Gross Sales of the RESTAURANT, payable in the same manner as the Royalty due hereunder. Mountain Mike's Pizza Restaurants that we or our affiliates own will contribute to the Marketing Fund on the same percentage basis as our franchisees.

We will direct all programs financed by the Marketing Fund, with sole control over the creative concepts, materials and endorsements used and their geographic, market and media placement and allocation. You agree that the Marketing Fund may be used to pay the costs of our administration of any gift card, customer loyalty, affinity, or similar program; preparing and producing video, audio and written materials and electronic media; administering regional and multi-regional marketing and advertising programs, including, without limitation, purchasing trade journal, direct mail and other media advertising and employing advertising, promotion and marketing agencies to provide assistance; administering field marketing programs, including secret shopper programs, California Association of Employers membership, and store evaluation visits; and supporting public relations, market research and other advertising, promotion and marketing activities. The Marketing Fund periodically will furnish you with samples of advertising, marketing and promotional formats and materials at no cost. Multiple copies of these materials will be furnished to you at our direct cost of producing them, plus any related shipping, handling and storage charges.

The Marketing Fund will be accounted for separately from our other funds (although we need not keep Marketing Fund contributions in a separate bank account) and will not be used to defray any of our general operating expenses, except for the reasonable salaries, administrative costs, travel expenses and overhead we may incur in activities related to administering the Marketing Fund and its programs, including, without limitation, conducting market research, preparing advertising, promotion and marketing materials, and collecting and accounting for contributions to the Marketing Fund. Although the Marketing Fund is not a trust, all contributions to the Marketing Fund will be held for the benefit of those who have contributed to the Marketing Fund and used solely for the purposes for which the contributions were made. We may spend, on behalf of the Marketing Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Mountain Mike's Pizza Restaurants to the Marketing Fund in that year, and the Marketing Fund may borrow from us or others (paying reasonable interest) to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Marketing Fund will be used to pay advertising costs before other assets of the Marketing Fund are expended. We will prepare an annual unaudited statement of monies collected and costs incurred by the Marketing Fund and furnish the statement to you upon written request. We can have the Marketing Fund incorporated or operated through a separate entity anytime we deem appropriate, and the successor entity will have all of the rights and duties specified in this Section.

You acknowledge that the Marketing Fund is intended to maximize recognition of the Marks and patronage of Mountain Mike's Pizza Restaurants. Although we will endeavor to utilize the Marketing Fund to develop advertising and marketing materials and programs and to place advertising and marketing that will benefit all Mountain Mike's Pizza Restaurants, we undertake no obligation to ensure that expenditures by the Marketing Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Marketing Fund by Mountain Mike's Pizza Restaurants operating in that geographic area or that any Mountain Mike's Pizza Restaurant will benefit directly or in proportion to its contribution to the Marketing Fund from the development of advertising and marketing materials or the placement of advertising and marketing. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Marketing Fund contributions at the Marketing Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Marketing Fund. Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you for collecting amounts due to, or maintaining, directing or administering, the Marketing Fund.

We can defer or reduce contributions of a Mountain Mike's Pizza Restaurant franchisee and, upon thirty (30) days' prior written notice to you, reduce or suspend contributions to and operations of the Marketing Fund for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund. If the Marketing Fund is terminated, all unspent monies on the date of termination will be distributed to our franchisees and to us and our affiliates in proportion to their and our respective contributions to the Marketing Fund during the preceding twelve (12) month period.

B. **ADVERTISING COOPERATIVES.**

You agree that we may, in our sole discretion, designate any geographic area in which two (2) or more Mountain Mike's Pizza Restaurants are located as a region in order to establish an advertising cooperative ("Cooperative"). The Cooperative's members in any area will include all of the Mountain Mike's Pizza Restaurants operating in that area. Each Cooperative will be organized and governed in a form and manner, and begin operating on a date, that we determine in advance. Each Cooperative's purpose is, with our approval, to administer advertising programs and develop promotional materials for the area that the Cooperative covers. If, as of the time you sign this Agreement, we have established a Cooperative for the geographic area in which the RESTAURANT is located, or if we establish a Cooperative in the area covering your RESTAURANT during this Agreement's term, you must sign any documents we require to become a member of the Cooperative and participate in the Cooperative as those documents require.

In addition to your Marketing Fund contribution in Paragraph A above, you agree to contribute to the Cooperative the amounts that we prescribe from time to time, not to exceed two percent (2%) of the RESTAURANT's Gross Sales, although the Cooperative's members may increase the required contribution by a two-thirds (2/3) vote of all Mountain Mike's Pizza Restaurant franchisees who are members of that Cooperative. Each franchisee will have one vote, regardless of the number of Mountain Mike's Pizza Restaurants that franchisee (or its affiliates) operates within the Cooperative's area. You must pay us your Cooperative contribution in the same manner as the Royalty, and we will maintain it for the Cooperative's use.

You agree to submit to us and the Cooperative any reports that we require. We or our designee will maintain and administer the Cooperative's account according to the Cooperative's governing documents. We will operate the Cooperative solely to collect and spend Cooperative contributions for the purposes described above. We or our designee may use the Cooperative's funds to cover the reasonable salaries, administrative costs, travel expenses, and overhead we and/or our designee incur in administering the Cooperative and its programs. The Cooperative and its members may not use any advertising or promotional plans or materials without our prior written consent.

C. **BY YOU.**

You agree that any advertising, promotion and marketing you conduct will be completely clear and factual and not misleading and conform to the highest standards of ethical advertising and marketing and the advertising and marketing policies which we prescribe from time to time. Samples of all advertising, promotional and marketing materials that we have not prepared or previously approved must be submitted to us for approval before you use them. If you do not receive written disapproval within fifteen (15) days after we receive the materials, they will be considered approved. You may not use any advertising, promotional or marketing materials that we have disapproved. As used in this Subsection, "advertising, promotional, and marketing

materials" include any information relating to us, you, or the RESTAURANT that you plan to include on a Website (if we allow you to establish a Website).

D. **SYSTEM WEBSITE AND INTRANET.**

(1) We or our designees may establish a website or series of websites for the Mountain Mike's Pizza Restaurant network: (a) to advertise, market, and promote Mountain Mike's Pizza Restaurants, the products and services they offer and/or the Mountain Mike's Pizza Restaurant franchise opportunity; (b) to function as the Intranet; and/or (c) for any other purposes we deem appropriate for Mountain Mike's Pizza Restaurants (collectively, the "**System Website**"). If we establish a System Website, we may provide you with a separate interior webpage (accessible only through the System Website) referencing your Restaurant and/or otherwise allow you to participate in the System Website. You must develop your webpage at your own expense using a template we provide. We must pre-approve your webpage before it is posted by our webmaster on the System Website and have the continuing right to monitor and pre-approve your webpage's form, content, and quality during this Agreement's term. We may reject your webpage if its form or content is unacceptable to us. Your webpage always must comply with System Standards. You may modify your webpage only through and with the pre-approval of our webmaster. You must give us the information and materials we request for you to participate in the System Website. By giving us the information and materials, you represent they are accurate and not misleading and do not infringe any other party's rights. We will own all intellectual property and other rights in the System Website, your webpage, and all information they contain (including, without limitation, the log of "hits" by visitors and any personal or business data that visitors supply).

We will control, and may use Marketing Fund contributions to develop, maintain, operate, update, and market, the System Website, including your webpage (if any). We will update the information on your webpage, if any, or add information we approve as frequently as we deem appropriate. You must notify us whenever any information on your webpage changes or is not accurate. You must pay our then current fee to participate in the various aspects of the System Website or as we otherwise require to maintain and operate the System Website's various features and functions (if, or to the extent, the Marketing Fund does not pay for these costs). We have final approval rights over all information on the System Website, including your webpage, if any. We may implement and periodically modify System Standards for the System Website.

We will maintain your webpage, if any, and otherwise allow you to participate in the System Website only while you are in substantial compliance with this Agreement and all System Standards (including those for the System Website). If you are in material default of any obligation under this Agreement or System Standards, we may, in addition to our other remedies, temporarily suspend your participation in the System Website until you fully cure the default. We will permanently terminate your access to and participation in the System Website upon this Agreement's expiration or termination.

All advertising, marketing, and promotional materials you develop for the Restaurant must contain notices of the System Website's URL in the manner we periodically designate.

You may not develop, maintain, or authorize any other website, other online presence, or other electronic medium mentioning or describing the Restaurant or displaying any Marks without our prior written approval. Except for the System Website, you may not conduct commerce or directly or indirectly offer or sell any products or services using any website, another electronic means or medium, or otherwise over the Internet.

Nothing in this Section limits our right to maintain websites other than the System Website or to offer and sell products and services under the Marks from the System Website, another website, or otherwise over the Internet without payment or any other obligation to you.

(2) We may, at our option, establish and maintain an Intranet. We will establish System Standards for the Intranet's use. These System Standards will address, among other things, (a) restrictions on using abusive, slanderous, or otherwise offensive language in electronic communications, (b) restrictions on communications among franchisees endorsing or encouraging breach of any franchisee's franchise agreement, (c) confidential treatment of materials we transmit via the Intranet, (d) password protocols and other security precautions, (e) grounds and procedures for our suspending or revoking a franchisee's access to the Intranet, and (f) a privacy policy governing our access to and use of electronic communications that franchisees post on the Intranet. We expect to adopt and adhere to a reasonable privacy policy. However, as the Intranet's administrator, we have the right to access and view any communication posted on the Intranet. We will own all intellectual property and other rights in the Intranet and all information it contains, including its domain name or URL, the log of "hits" by visitors, any personal or business data visitors supply, and all information relating to the Restaurant's customers, whether that information is contained on your Computer System or our (or our designee's) computer system.

After we notify you that the Intranet has become functional, you must establish and continually maintain electronic connection with the Intranet allowing us to send messages to and receive messages from you. Your obligation to maintain connection with the Intranet applies during this Agreement's entire term (unless we dismantle the Intranet or suspend your access). You must contribute reasonable amounts on an annual, quarterly, monthly, or other basis toward the cost of developing and maintaining the Intranet. If you fail to pay when due any required amount, or fail to comply with any Intranet System Standard, we may (in addition to any other rights we reserve in this Agreement) temporarily suspend your access to any chat room, bulletin board, list-serve, or similar feature the Intranet includes until you fully cure the breach.

10. RECORDS, REPORTS AND FINANCIAL STATEMENTS.

You agree to establish and maintain at your own expense a bookkeeping, accounting and record keeping system conforming to the requirements and formats we prescribe from time to time. The records and information contained in this system will not include any records or information relating to RESTAURANT employees, as you control exclusively your labor relations and employment practices. We may require you to use a Computer System in order to maintain certain sales data and other information. You agree to furnish to us in the manner and format that we prescribe from time to time:

(1) on Monday of each week, a report on the RESTAURANT's Gross Sales during the week ending on the immediately preceding Sunday;

(2) within five (5) days after their filing, copies of all sales tax returns for the RESTAURANT (you agree that we can periodically verify with the appropriate tax authorities the sales taxes that you have paid);

(3) within thirty (30) days after the end of each fiscal quarter of the RESTAURANT, a profit and loss statement for the RESTAURANT for the immediately preceding fiscal quarter and year-to-date and a balance sheet as of the end of that fiscal quarter;

(4) within ninety (90) days after the end of the RESTAURANT's fiscal year, annual profit and loss and source and use of funds statements and a balance sheet for the RESTAURANT as of the end of that fiscal year; and

(5) within ten (10) days after our request, exact copies of federal and state income and other tax returns and the other forms, records, books and other information we may periodically require (other than employee records for RESTAURANT employees, as you control exclusively your labor relations and employment practices).

You agree to verify and sign each report and financial statement in the manner we prescribe. We can disclose data derived from these reports without specifically identifying you or the RESTAURANT (unless we have your written consent to do so). We also can require you, if you ever fail to comply with any provision of this Agreement, to have audited financial statements prepared on an annual basis. Moreover, we can, as often as we deem appropriate (including on a daily basis), access all computer registers and other computer systems that you maintain in operating the RESTAURANT and retrieve all information relating to the RESTAURANT's operations (other than employee records for RESTAURANT employees, as you control exclusively your labor relations and employment practices).

11. INSPECTIONS AND AUDITS.

A. OUR RIGHT TO INSPECT THE RESTAURANT.

To determine whether you and the RESTAURANT are complying with this Agreement and all System Standards, we and our designated agents have the right at any time during your regular business hours, and without prior notice to you, to:

(1) inspect the RESTAURANT;

(2) observe, photograph and videotape the operations of the RESTAURANT for consecutive or intermittent periods we deem necessary;

(3) remove samples of any Supplies for testing and analysis;

(4) interview supervisory personnel and customers of the RESTAURANT; and

(5) inspect and copy any books, records and documents relating to the RESTAURANT's operation that we have the authority to control and/or remedy (which excludes labor relations and employment practices).

You agree to cooperate with us fully in these inspections, observations, photographing, videotaping, product removal and interviews. If we exercise any of these rights, we will use our best efforts not to interfere unreasonably with the RESTAURANT's operations. You agree to present to your customers the evaluation forms that we periodically prescribe and to participate and/or request your customers to participate in any surveys performed by us or on our behalf. If the RESTAURANT fails an inspection, as set forth in the System Standards, we reserve the right to charge you a fee to reimburse us for our costs of conducting an additional inspection.

B. **OUR RIGHT TO AUDIT.**

We have the right at any time during your business hours, and without prior notice to you, to inspect and audit, or cause to be inspected and audited, your (if you are a corporation, limited liability company or partnership) and the RESTAURANT's business, bookkeeping and accounting records, sales and income tax records and returns, bank accounts and credit card processing accounts, and other records we deem relevant to assess your compliance with this Agreement and System Standards (other than employee- and employment-related records for RESTAURANT employees, as you control exclusively your labor relations and employment practices). You agree to cooperate fully with our representatives and independent accountants we hire to conduct any inspection or audit. If any inspection or audit discloses an understatement of the RESTAURANT's Gross Sales, we can debit your account, as provided in Section 3.B. above, for the Royalty, Marketing Fund contributions and Cooperative contributions due on the amount of the understatement, plus interest from the date originally due until the date of payment. Further, if an inspection or audit is made necessary by your failure to furnish reports, supporting records or other information as required, or to furnish these items on a timely basis, or if an understatement of Gross Sales is greater than two percent (2%) for any period reviewed, you agree to reimburse us for the cost of the inspection or audit, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board and compensation of our employees. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

12. **TRANSFER.**

A. **BY US.**

You acknowledge that we maintain a staff to manage and operate the Mountain Mike's franchise system and that staff members can change as employees come and go. You represent that you did not sign this Agreement in reliance on any particular owner, director, officer, or employee remaining with us in that capacity. We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After our

assignment of this Agreement to a third party who expressly assumes this Agreement's obligations, we no longer will have any performance or other obligations under this Agreement. That assignment will constitute a release and novation with respect to this Agreement, and the new owner-assignee will be liable to you as if it had been an original party to this Agreement. Specifically and without limiting the foregoing, you agree that we may sell our assets (including this Agreement), the Marks, or the franchise system to a third party; offer our ownership interests privately or publicly; merge, acquire other business entities, or be acquired by another business entity; and/or undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring.

B. **BY YOU.**

You understand and acknowledge that the rights and duties created by this Agreement are personal to you (or, if you are a corporation, limited liability company or partnership, to your owners) and that we have granted the Franchise to you in reliance upon our perceptions of your (or your owners') individual or collective character, skill, aptitude, attitude, business ability and financial capacity. Accordingly, neither this Agreement (or any interest herein), the RESTAURANT, nor any direct or indirect ownership interest in you may be transferred without our prior written approval. A transfer of ownership, possession or control of the RESTAURANT may be made only in conjunction with a transfer of this Agreement. Any transfer without this approval constitutes a breach of this Agreement and is void and of no effect. As used in this Agreement, the term "transfer" includes your (or your owners') voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in:

(1) this Agreement;

(2) you; or

(3) the RESTAURANT.

An assignment, sale, gift or other disposition includes the following events:

(a) transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest;

(b) merger or consolidation or issuance of additional securities or other forms of ownership interest in you;

(c) any sale of a security convertible to an ownership interest in you;

(d) transfer of an interest in you, this Agreement or the RESTAURANT in a divorce, insolvency or entity dissolution proceeding or otherwise by operation of law;

(e) transfer of an interest in you, this Agreement or the RESTAURANT, in the event of your death or the death of one of your owners, by will, declaration of or transfer in trust or under the laws of intestate succession; or

(f) pledge of this Agreement (to someone other than us) or of an ownership interest in you as security, foreclosure upon the RESTAURANT or your transfer, surrender or loss of possession, control or management of the RESTAURANT.

C. **CONDITIONS FOR APPROVAL OF TRANSFER.**

If you (and your owners) are in full compliance with this Agreement, then subject to this Section 12's other provisions (including our right of first refusal under Section 12.G. below, if applicable), we will approve a transfer satisfying all of this Section's requirements. We have the right to pre-approve the transfer of a non-controlling ownership interest in you (determined as of the date on which the proposed transfer will occur). We expect to approve such a transfer if the proposed transferee and its direct and indirect owners are of good character and otherwise are qualified under our then-existing standards for the approval of new Mountain Mike's Pizza Restaurant franchisees (including no ownership interest in or performance of services for a Competitive Business), the new owner signs our Guaranty and Assumption of Obligations, and you pay us a transfer fee of Two Thousand Five Hundred Dollars ($2,500), which is due when you request transfer approval and is nonrefundable whether or not the transfer actually occurs. If the new owner of the non-controlling ownership interest (i) fails for any reason to sign the Guaranty and Assumption of Obligations, or (ii) would violate the Guaranty and Assumption of Obligations immediately upon its signing because of certain activities in which the new owner then engages or has engaged, or (iii) has engaged in any dishonest, unethical, immoral, or similar conduct as a result of which his or her association with you and the RESTAURANT could, in our reasonable opinion, have a material adverse effect on the goodwill associated with the Marks, then the proposed transfer to the new owner may not take place despite anything to the contrary contained in this Section 12.

Notwithstanding anything to the contrary in this Section 12 or elsewhere in this Agreement, we need not consider a proposed transfer of a controlling or non-controlling ownership interest in you, or a proposed transfer of this Agreement, until you (or an owner) and the proposed transferee first send us a copy of a bona fide offer to purchase or otherwise acquire the particular interest from you (or the owner). For an offer to be considered "bona fide," it must include a copy of all proposed agreements among you (or your owner) and the proposed transferee related to the sale, assignment, or transfer.

If the proposed transfer is of this Agreement or a controlling ownership interest in you, or is one of a series of transfers (regardless of the time period over which these transfers take place) in the aggregate transferring this Agreement or a controlling ownership interest in you, then all of the following conditions must be met before or concurrently with the proposed transfer's effective date:

(1) the transferee has sufficient business experience, aptitude and financial resources to operate the RESTAURANT and otherwise is qualified under our then-existing standards for the approval of new franchisees;

(2) you have paid all Royalties, Marketing Fund contributions, Cooperative contributions, amounts owed for purchases from us and all other amounts owed to us or to third-party creditors and have submitted all required reports and statements;

(3) the transferee and its owners and affiliates are not engaged in a Competitive Business;

(4) the transferee (or its managing owner) and its supervisory personnel (if different from your supervisory personnel) have agreed to complete our standard training program;

(5) you are allowed to transfer the Lease;

(6) the transferee must (if the transfer is of this Agreement), or you must (if the transfer is of a controlling ownership interest in you), sign our then current forms of franchise agreement and related documents ("related documents" include the Guaranty and Assumption of Obligations), any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, provided, however, that the initial term of the new franchise agreement signed will be equal to this Agreement's unexpired term, the Exclusive Area definition will not change under the new franchise agreement during its remaining initial term, and the Royalty, Marketing Fund contribution, and Cooperative contribution payable under the new franchise agreement during its remaining initial term will be the same as in this Agreement;

(7) you or the transferee pays us a transfer fee equal to $30,000 (if the transferee is a new Mountain Mike's Pizza Restaurant franchisee) and $15,000 (if the transferee is an existing Mountain Mike's Pizza Restaurant franchisee), one-half (½) of which is nonrefundable and due when you request approval of the transfer;

(8) you or the transferee pays us a marketing fee equal to Four Thousand Dollars ($4,000), which we will spend in the RESTAURANT's market area to advertise the RESTAURANT's "re-opening" under new ownership and management;

(9) you (and your transferring owners) have executed a general release, in form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees and agents;

(10) we have approved the material terms and conditions of the transfer and determined that the price and terms of payment will not adversely affect the transferee's operation of the RESTAURANT;

(11) if you or your owners finance any part of the purchase price, you and/or your owners agree that (a) the transferee's obligations under promissory notes, agreements, or security interests reserved in the RESTAURANT are subordinate to the transferee's obligation to pay Royalties, Marketing Fund contributions, and other amounts due to us, our affiliates, and third-party vendors and otherwise to comply with this Agreement, and (b) you must obtain our pre-approval and satisfy any conditions we then reasonably impose in order to take back the RESTAURANT upon the transferee's default under any seller-financing documents (you do not under any circumstances have the automatic right to take back the RESTAURANT upon the transferee's default);

(12) you and your transferring owners (and your and your owners' spouses) have executed a non-competition covenant in favor of us and the transferee agreeing to be bound, commencing on the effective date of the transfer, by the restrictions contained in Section 15.D. hereof; and

(13) you and your transferring owners have agreed that you and they will not directly or indirectly at any time or in any manner (except with other Mountain Mike's Pizza Restaurants you own and operate) identify yourself or themselves or any business as a current or former Mountain Mike's Pizza Restaurant, or as one of our licensees or franchisees, use any Mark, any colorable imitation thereof or other indicia of a Mountain Mike's Pizza Restaurant in any manner or for any purpose or utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with us.

You acknowledge that we have legitimate reasons to evaluate the qualifications of potential transferees and to analyze and critique the terms of their purchase contracts with you and that our contact with potential transferees to protect our business interests will not constitute improper or unlawful conduct. You expressly authorize us to investigate any potential transferee's qualifications, to analyze and critique the proposed purchase terms, to communicate candidly and truthfully with the transferee regarding your operation of the RESTAURANT, and to withhold consent to economically questionable transactions. You waive any claim that the action we take in good faith to protect our business interests in connection with a proposed transfer constitutes tortious interference with contractual or business relationships. Similarly, we may review all information regarding the RESTAURANT that you give the proposed transferee, correct any information we believe is inaccurate, and give the proposed transferee copies of any reports you have given us or we have made regarding the RESTAURANT.

D. **TRANSFER TO A WHOLLY-OWNED CORPORATION OR LIMITED LIABILITY COMPANY.**

Notwithstanding Paragraph C of this Section, if you are in full compliance with this Agreement, you may transfer this Agreement to a corporation or limited liability company which conducts no business other than the RESTAURANT and, if applicable, other Mountain Mike's Pizza Restaurants, in which you maintain management control and of which you own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding capital stock or other ownership interests, and further provided that all assets of the RESTAURANT are

owned, and the entire business of the RESTAURANT is conducted, by a single corporation or limited liability company. Transfers of ownership interests in this corporation or limited liability company will be subject to the provisions of Paragraph C of this Section. You agree to remain personally liable under this Agreement as if the transfer to the corporation or limited liability company had not occurred.

E. **YOUR DEATH OR DISABILITY.**

(1) **Transfer Upon Death or Disability**. Upon your death or disability or, if you are a corporation, limited liability company or partnership, the death or disability of the Managing Owner or the owner of a controlling interest in you, your or the owner's executor, administrator, conservator, guardian or other personal representative must transfer your interest in this Agreement or the owner's interest in you to a third party. The disposition of this Agreement or the interest in you (including, without limitation, transfer by bequest or inheritance) must be completed within a reasonable time, not to exceed six (6) months from the date of death or disability, and will be subject to all of the terms and conditions applicable to transfers contained in this Section. A failure to transfer your interest in this Agreement or the ownership interest in you within this period of time constitutes a breach of this Agreement. In this Agreement, the term "disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you, the Managing Owner or an owner of a controlling interest in you from managing and operating the RESTAURANT.

(2) **Operation Upon Death or Disability**. If, upon your death or disability or the death or disability of the Managing Owner or the owner of a controlling interest in you, the RESTAURANT is not being managed by a trained manager, your or the owner's executor, administrator, conservator, guardian or other personal representative must within a reasonable time, not to exceed fifteen (15) days from the date of death or disability, appoint a manager to operate the RESTAURANT. The manager will be required to complete training at your expense. Pending the appointment of a manager as provided above or if, in our judgment, the RESTAURANT is not being managed properly any time after your death or disability or after the death or disability of the Managing Owner or the owner of a controlling interest in you, we have the right, but not the obligation, to assume the management of the RESTAURANT. If we assume the RESTAURANT's management (or appoint a third party to do so), the manager will not exercise direct or indirect control over the working conditions of the RESTAURANT's employees, except to the extent such indirect control is related to our legitimate interest in protecting the quality of products, services, and the Mountain Mike's Pizza brand. All funds from the operation of the RESTAURANT during the period we have assumed its management will be kept in a separate account, and all expenses of the RESTAURANT, including compensation, other costs and travel and living expenses of our manager, will be charged to this account. We also can charge a reasonable management fee (in addition to the Royalty, Marketing Fund contributions and Cooperative contributions payable under this Agreement), not to exceed fifteen percent (15%) of the RESTAURANT's Gross Sales, during the period we have assumed the RESTAURANT's management. We

(or a third party) have a duty to use only reasonable efforts and, if we are not grossly negligent and do not engage in willful misconduct, will not be liable to you or your owners for any debts, losses, lost or reduced profits, or obligations the RESTAURANT incurs, or to any of your creditors for any Supplies, assets, or services the RESTAURANT purchases, while we (or a third party) manage it.

If we assume the RESTAURANT's management, we will operate the RESTAURANT for intervals lasting up to ninety (90) days each (and, in any event, for no more than a total of one (1) year). During each interval, we will periodically evaluate whether or not you or your Managing Owner is capable of resuming the RESTAURANT's operation and periodically discuss the RESTAURANT's status with you or, if applicable, the appropriate heirs or personal representative.

F. **EFFECT OF CONSENT TO TRANSFER.**

Our consent to a transfer of this Agreement and the RESTAURANT or any interest in you does not constitute a representation as to the fairness of the terms of any contract between you and the transferee, a guarantee of the prospects of success of the RESTAURANT or transferee or a waiver of any claims we may have against you (or your owners) or of our right to demand the transferee's exact compliance with any of the terms or conditions of this Agreement.

G. **OUR RIGHT OF FIRST REFUSAL.**

If you (or any of your owners) at any time determine to sell, assign or transfer for consideration an interest in this Agreement and the RESTAURANT or an ownership interest in you, you (or your owner) agree to obtain a bona fide, executed written offer (which, as noted in Section 12.C. above, must include a copy of all proposed agreements related to the sale, assignment, or transfer) and earnest money deposit (in the amount of five percent (5%) or more of the offering price) from a responsible and fully disclosed offeror (including lists of the owners of record and beneficially of any corporate or limited liability company offeror and all general and limited partners of any partnership offeror and, in the case of a publicly-held corporation or limited partnership, copies of the most current annual and quarterly reports and Form 10K) and immediately submit to us a true and complete copy of the offer, which includes details of the payment terms. To be a valid, bona fide offer, the proposed purchase price must be denominated in a dollar amount. The offer must apply only to an interest in you or in this Agreement and the RESTAURANT and may not include an offer to purchase any of your (or your owners') other property or rights. However, if the offeror proposes to buy any other property or rights from you (or your owners) under a separate, contemporaneous offer, the separate, contemporaneous offer must be disclosed to us, and the price and terms of purchase offered to you (or your owners) for the interest in you or in this Agreement and the RESTAURANT must reflect the bona fide price offered and not reflect any value for any other property or rights.

We have the right, exercisable by written notice delivered to you or your selling owner(s) within thirty (30) days from the date of the delivery to us of both an exact copy of the offer and

all other information we request, to purchase the interest for the price and on the terms and conditions contained in the offer, provided that:

(1) we may substitute cash for any form of payment proposed in the offer;

(2) our credit will be deemed equal to the credit of any proposed purchaser;

(3) we will have not less than sixty (60) days after giving notice of our election to purchase to prepare for closing; and

(4) we must receive, and you and your owners agree to make, all customary representations, warranties, and indemnities given by the seller of the assets of a business or ownership interests in a legal entity, as applicable, including representations and warranties regarding ownership and condition of, and title to, assets and (if applicable) ownership interests; your and your owners' authorization to sell, as applicable, any ownership interests or assets without violating any law, contract, or requirement of notice or consent; liens and encumbrances on ownership interests and assets; validity of contracts and the liabilities, contingent or otherwise, relating to the assets or ownership interests being purchased; and indemnities for all actions, events, and conditions that existed or occurred in connection with the RESTAURANT before the closing of our purchase.

If we exercise our right of first refusal, you and your selling owner(s) agree that, for a period of two (2) years commencing on the date of the closing, you and they will be bound by the noncompetition covenant contained in Section 15.D. hereof.

If we do not exercise our right of first refusal, you or your owners may complete the sale to the purchaser on the exact terms of the offer, subject to our approval of the transfer as provided in Paragraphs B and C of this Section, provided that, if the sale to the purchaser is not completed within sixty (60) days after delivery of the offer to us, or if there is a material change in the terms of the sale (which you agree promptly to communicate to us), we will have an additional right of first refusal during the thirty (30) day period following either the expiration of the sixty (60) day period or notice to us of the material change(s) in the terms of the sale, either on the terms originally offered or the modified terms, at our option.

13. EXPIRATION OF THIS AGREEMENT.

A. YOUR RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE.

Upon expiration of the term of this Agreement, if you (and each of your owners) have substantially complied with this Agreement during its term, and provided that:

(1) you maintain possession of and agree to remodel and/or expand the RESTAURANT, add or replace improvements and Operating Assets, and otherwise modify the RESTAURANT as we require to bring it into compliance with specifications and standards then applicable for Mountain Mike's Pizza Restaurants, or

(2) if you are unable to maintain possession of the Premises, or if in our judgment the RESTAURANT should be relocated, you secure substitute premises we approve, develop these premises in compliance with specifications and standards then applicable for Mountain Mike's Pizza Restaurants and continue to operate the RESTAURANT at the Premises until operations are transferred to the substitute premises,

then, subject to the terms and conditions set forth in this Section 13, you can acquire a successor franchise to operate the RESTAURANT as a Mountain Mike's Pizza Restaurant for a ten (10) year term on the terms and conditions of the franchise agreement we then are using in granting franchises for Mountain Mike's Pizza Restaurants (modified as necessary to reflect the fact that it is for a successor franchise, including that no further successor franchises need be granted), which may contain provisions that differ materially from any and all of those contained in this Agreement, provided, however, that you only will have to pay a successor franchise fee equal to one-half (½) of our then current initial franchise fee. You acknowledge that our granting you the right to acquire a successor franchise on these terms and conditions (if you substantially complied with this Agreement during its term) will be deemed a bona fide offer of renewal.

B. **GRANT OF A SUCCESSOR FRANCHISE.**

You agree to give us written notice of your election to acquire a successor franchise no earlier than twelve (12) months and no later than nine (9) months before the expiration of this Agreement. We agree to give you written notice ("Our Notice"), not more than ninety (90) days after we receive your notice, of our decision, in accordance with Paragraph A of this Section:

(1) to grant you a successor franchise;

(2) to grant you a successor franchise on the condition that deficiencies of the RESTAURANT, or in your operation of the RESTAURANT, are corrected; or

(3) not to grant you a successor franchise based on our determination that you and your owners have not substantially complied with this Agreement during its term.

If applicable, Our Notice will:

(a) describe the remodeling and/or expansion of the RESTAURANT and other improvements or modifications required to bring the RESTAURANT into compliance with then applicable specifications and standards for Mountain Mike's Pizza Restaurants; and

(b) state the actions you must take to correct operating deficiencies and the time period in which these deficiencies must be corrected.

If we elect not to grant a successor franchise, Our Notice will describe the reasons for our decision. Our Notice (or a concurrent or subsequent notice) also may request that you

immediately send us a list of all RESTAURANT assets then in your possession or that you otherwise use in connection with the RESTAURANT's operation, including which assets (if any) are then subject to any third-party lien. You agree to send us that list immediately. Your right to acquire a successor franchise is subject to your continued compliance with all of the terms and conditions of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in Our Notice.

If Our Notice states that you must cure certain deficiencies of the RESTAURANT or its operation as a condition to the grant of a successor franchise, we will give you written notice of a decision not to grant a successor franchise, based upon your failure to cure these deficiencies, not less than ninety (90) days before the expiration of this Agreement, provided, however, that we will not be required to give you this ninety (90) days' notice if we decide not to grant you a successor franchise due to your breach of this Agreement during the ninety (90) day period before its expiration. If we fail to give you:

(i) notice of deficiencies in the RESTAURANT, or in your operation of the RESTAURANT, within ninety (90) days after we receive your timely election to acquire a successor franchise (if we elect to grant you a successor franchise under subparagraphs (2) and (b) above); or

(ii) notice of our decision not to grant a successor franchise at least ninety (90) days before the expiration of this Agreement, if this notice is required,

we may extend the term of this Agreement for the period of time necessary in order to provide you with either reasonable time to correct deficiencies or the ninety (90) days' notice of our refusal to grant a successor franchise required under this Section. If you fail to notify us of your election to acquire a successor franchise within the prescribed time period, we need not grant you a successor franchise.

C. **AGREEMENTS/RELEASES.**

If you satisfy all of the other conditions to the grant of a successor franchise, you and your owners agree to execute the form of franchise agreement and any ancillary agreements we then are customarily using in granting successor franchises for Mountain Mike's Pizza Restaurants (modified as necessary to reflect the fact that it is for a successor franchise, including that no further successor franchises need be granted), which may contain provisions that differ materially from any and all of those contained in this Agreement. You and your owners further agree to execute general releases, in form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors and assigns. Failure by you or your owners to sign these agreements and releases and deliver them to us (with the successor franchise fee) for acceptance and execution within sixty (60) days after their delivery to you will be deemed an election not to acquire a successor franchise.

14. **TERMINATION OF AGREEMENT.**

A. **BY YOU.**

If you and your owners are in full compliance with this Agreement and we materially fail to comply with this Agreement and do not correct the failure within thirty (30) days after written notice of the material failure is delivered to us or, if the failure cannot be corrected within thirty (30) days, provide reasonable evidence of our effort to correct the failure within a reasonable time, not to exceed sixty (60) days after your notice, you may terminate this Agreement effective thirty (30) days after delivery to us of written notice of termination. Your termination of this Agreement for any other reason or without this notice will be deemed a termination without cause and a breach of this Agreement.

B. **BY US.**

We have the right to terminate this Agreement, effective upon delivery of written notice of termination to you, if:

(1) you (or any of your owners) have made or make any material misrepresentation or omission in purchasing the Franchise or operating the RESTAURANT;

(2) you (or your Managing Owner) fail successfully to complete initial training to our satisfaction;

(3) you fail to begin operating the RESTAURANT within one hundred eighty (180) calendar days after the effective date of this Agreement;

(4) you (a) abandon the RESTAURANT, meaning that you have deserted, walked away from, or closed the RESTAURANT under circumstances leading us to conclude that you have no intent to resume the RESTAURANT's operation, regardless of the number of days passing since the apparent abandonment, or (b) fail actively and continuously to operate the RESTAURANT (a failure to operate the RESTAURANT for five (5) or more consecutive days will be deemed a default under this clause (b), except where closure is due to fire, riot, flood, acts of terrorism, or natural disaster and you notify us within five (5) days after the particular occurrence to obtain our written approval to remain closed for an agreed-upon amount of time as is necessary under the circumstances before you must re-open);

(5) you surrender or transfer control of the operation of the RESTAURANT without our prior written consent;

(6) you (or any of your owners) are or have been convicted by a trial court of, or plead or have pleaded guilty or no contest to, a felony;

(7) you fail to maintain the insurance we require from time to time and do not correct the failure within ten (10) days after delivery of written notice of that failure to you;

(8) you (or any of your owners) engage in any dishonest or unethical conduct which may adversely affect the reputation of the RESTAURANT or another Mountain Mike's Pizza Restaurant or the goodwill associated with the Marks;

(9) you (or any of your owners) make an unauthorized assignment of this Agreement or of an ownership interest in you or the RESTAURANT;

(10) in the event of your death or disability or the death or disability of the Managing Owner or the owner of a controlling interest in you, this Agreement or the owner's interest in you is not assigned as required;

(11) you lose the right to possess the Premises;

(12) we have sent a notice of termination under any other franchise agreement for a Mountain Mike's Pizza Restaurant between you (or any of your affiliates or owners) and us;

(13) you (or any of your owners) make any unauthorized use or disclosure of any Confidential Information or use, duplicate or disclose any portion of the Operations Manual in violation of this Agreement;

(14) you violate any health, safety or sanitation law, ordinance or regulation and do not begin to cure the noncompliance or violation immediately, and correct the noncompliance or violation within seventy-two (72) hours, after written notice is delivered to you;

(15) you fail to make payments of any amounts due to us and do not correct the failure within ten (10) days after written notice of the failure is delivered to you;

(16) you fail to pay when due any federal or state income, employment, service, sales or other taxes due on the operations of the RESTAURANT, unless you are in good faith contesting your liability for these taxes;

(17) you fail to comply with modifications to System Standards within the required time period;

(18) you (or any of your owners) fail on three (3) or more separate occasions within any period of twelve (12) consecutive months to do any one or more or combination of the following: (i) submit when due reports or other data, information or supporting records, (ii) pay when due any amounts due to us or (iii) otherwise comply with this Agreement, whether or not any of the failures set forth in subparagraphs (i) through (iii) are corrected after written notice of the failure is delivered to you;

(19) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee or liquidator of all or the substantial part of your property; the RESTAURANT is attached, seized, subjected to a writ or distress warrant or levied upon, unless the attachment, seizure, writ, warrant or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee or liquidator of you or the RESTAURANT is not vacated within thirty (30) days following the entry of the order;

(20) you (or any of your owners) fail to comply with any other provision of this Agreement or any System Standard and do not correct the failure within thirty (30) days after written notice of the failure to comply is delivered to you; or

(21) you or any of your owners fail to comply with Section 19 of this Agreement, or your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities.

Our written notice of termination (or a concurrent or subsequent notice) may request that you immediately send us a list of all RESTAURANT assets then in your possession or that you otherwise use in connection with the RESTAURANT's operation, including which assets (if any) are then subject to any third-party lien. You agree to send us that list immediately.

C. **ASSUMPTION OF MANAGEMENT.**

We have the right (but not the obligation), under the circumstances described below, to enter the Premises and assume the RESTAURANT's management on your behalf for the period of time we deem appropriate. If we do so, we will not exercise direct or indirect control over the working conditions of the RESTAURANT's employees, except to the extent such indirect control is related to our legitimate interest in protecting the quality of products, services, and the Mountain Mike's Pizza brand. In addition, if we assume the RESTAURANT's management (or appoint a third party to do so), you will be obligated to pay us our then current per diem charges, as well as the travel, living and other expenses we incur, during the time we assume the RESTAURANT's management. We also have the right to charge a reasonable management fee, not to exceed fifteen percent (15%) of the RESTAURANT's Gross Sales, during this time. We (or a third party) will have a duty to use only reasonable efforts and, if we are not grossly negligent and do not engage in willful misconduct, will not be liable to you or your owners for any debts, losses, lost or reduced profits, or obligations the RESTAURANT incurs, or to any of your creditors for any Supplies, assets, or services the RESTAURANT purchases, while we (or the third party) manage it. If we (or a third party) assume the RESTAURANT's management under clauses (1) or (3) below, we (or the third party) may retain all, and need not pay you or otherwise account to you for any, Gross Sales generated while we (or the third party) manage the RESTAURANT.

We may assume the management of the RESTAURANT under the following circumstances:

(1) if you abandon or fail actively to operate the RESTAURANT;

(2) if you fail to comply with any provision of this Agreement or any System Standard and do not cure the failure within the time period we specify in our notice to you; or

(3) if this Agreement expires or is terminated and we are deciding whether to exercise our option to purchase the RESTAURANT under Section 15.E. below.

Our exercise of any of the rights granted by subparagraphs (1) and (2) above will not affect our right to terminate this Agreement under Section 14.B. above.

If we assume the RESTAURANT's management, we will operate the RESTAURANT for intervals lasting up to ninety (90) days each (and, in any event, for no more than a total of one (1) year). In case of assumption under clause (2) above, we will during each interval periodically evaluate whether you are capable of resuming the RESTAURANT's operation and periodically discuss the RESTAURANT's status with you.

15. OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT.

A. PAYMENT OF AMOUNTS OWED TO US.

You agree to pay us within fifteen (15) days after the effective date of termination or expiration of this Agreement, or on any later date that the amounts due to us are determined, the Royalties, Marketing Fund contributions, Cooperative contributions, amounts owed for purchases from us, interest and all other amounts owed to us which then are unpaid. If we terminate this Agreement on any ground specified under Section 14.B., or if you terminate this Agreement without cause, before its scheduled expiration date, you also will be liable to us for lost future royalties to which we would have been entitled, but for the termination, had you operated for the remaining portion of the term in compliance with this Agreement.

B. MARKS.

Upon the termination or expiration of this Agreement:

(1) you may not directly or indirectly at any time or in any manner (except with other Mountain Mike's Pizza Restaurants you own and operate) identify yourself or any business as a current or former Mountain Mike's Pizza Restaurant, or as one of our licensees or franchisees, use any Mark, any colorable imitation thereof or other indicia of a Mountain Mike's Pizza Restaurant in any manner or for any purpose or utilize for any purpose any trade name, trade or service mark or other commercial symbol that indicates or suggests a connection or association with us;

(2) you agree to take the action required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark and, at our option, to assign to us (or our designee) or cancel any electronic address, domain name, search

engine, Website, or social media account that associates you with us, the RESTAURANT, or the Marks (if we have allowed you to establish one);

(3) you agree to deliver to us within thirty (30) days all signs, sign-faces, sign-cabinets, marketing materials, forms and other materials containing any Mark or otherwise identifying or relating to a Mountain Mike's Pizza Restaurant and allow us, without liability to you or third parties, to remove all of these items from the RESTAURANT;

(4) if we do not have or do not exercise an option to purchase the RESTAURANT under paragraph E of this Section, you agree that, after, as applicable, the effective date of expiration of this Agreement or the Notification Date, you will promptly and at your own expense make the alterations we specify in our Operations Manual or otherwise to distinguish the RESTAURANT clearly from its former appearance and from other Mountain Mike's Pizza Restaurants so as to prevent confusion of the public;

(5) you agree to notify the telephone company and all telephone directory publishers of the termination or expiration of your right to use any telephone, telecopy or other numbers and any telephone directory listings associated with any Mark, authorize the transfer of these numbers and directory listings to us or at our direction and/or instruct the telephone company to forward all calls made to your telephone numbers to numbers we specify. If you fail to do so, we can take whatever action and sign whatever documents we deem appropriate on your behalf to effect these events; and

(6) you agree to furnish us, within thirty (30) days after, as applicable, the effective date of expiration of this Agreement or the Notification Date, with evidence satisfactory to us of your compliance with the foregoing obligations.

C. **CONFIDENTIAL INFORMATION.**

You agree that, upon termination or expiration of this Agreement, you will immediately cease to use any of our Confidential Information (including computer software we have licensed to you) in any business or otherwise and return to us all copies of the Operations Manual and any other confidential materials that we have loaned to you.

D. **COVENANT NOT TO COMPETE.**

Upon

(1) our termination of this Agreement according to its terms and conditions,

(2) your termination of this Agreement without cause, or

(3) expiration of this Agreement (if we offer, but you elect not to acquire, a successor franchise, or if we do not offer you a successor franchise due to your failure to satisfy the conditions for a successor franchise set forth in Section 13),

you and your owners agree that, for a period of two (2) years commencing on the effective date of termination or expiration or the date on which all persons restricted by this Paragraph begin to comply with this Paragraph, whichever is later, neither you nor any of your owners will have any direct or indirect interest (e.g., through a spouse) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent or in any other capacity in any Competitive Business (as defined in Section 7 above) operating:

(a) at the Premises;

(b) within the Exclusive Area;

(c) within one (1) mile of any other Mountain Mike's Pizza Restaurant in operation or under construction on the later of the effective date of the termination or expiration or the date on which all persons restricted by this Paragraph comply with this Paragraph.

These restrictions also will apply after transfers, as provided in Section 12.C.(12) above.

If any person restricted by this Paragraph refuses voluntarily to comply with the foregoing obligations, the two (2) year period will commence with the entry of a court order enforcing this provision. You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Paragraph will not deprive you of your personal goodwill or ability to earn a living.

E. **OUR RIGHT TO PURCHASE RESTAURANT.**

If you decide to transfer the RESTAURANT and this Agreement, or an ownership interest in you, during this Agreement's term, the provisions of Section 12 generally will apply to the proposed transfer. However, under the circumstances listed in subparagraph (1) below, we have certain rights, as described in this Subsection 15.E., to acquire the RESTAURANT upon the termination or expiration of this Agreement.

(1) **Exercise of Option.**

Upon

(a) our termination of this Agreement according to its terms and conditions,

(b) your termination of this Agreement without cause, or

(c) expiration of this Agreement (if we offer, but you elect not to acquire, a successor franchise, or if we do not offer you a successor franchise due to your failure to satisfy the conditions for a successor franchise set forth in Section 13),

we have the option, exercisable by giving you written notice within sixty (60) days from the date of the termination or expiration, to purchase the RESTAURANT from you, including the leasehold rights to the Premises. (The date on which we notify you whether or not we are exercising our option is referred to in this Agreement as the "Notification Date.") We have the unrestricted right to assign this option to purchase the RESTAURANT. We are entitled to all customary representations, warranties, and indemnities in our asset purchase, including representations and warranties regarding ownership and condition of, and title to, assets; liens and encumbrances on assets; validity of contracts and the liabilities affecting the assets, contingent or otherwise; and indemnities for all actions, events, and conditions that existed or occurred in connection with the RESTAURANT before the closing of our purchase. Unless we expressly exercise in writing our right under this Section 15.E. to acquire your leasehold rights to the Premises, whether by an assignment or sublease, you acknowledge that you will be deemed to have the unrestricted right (without further notice from or action by us) to retain control of the Premises.

(2) **Leasehold Rights**.

You agree at our election:

(a) to assign your leasehold interest in the Premises to us; or

(b) to enter into a sublease for the remainder of the Lease term on the same terms (including renewal options) as the Lease.

(3) **Purchase Price**.

The purchase price for the RESTAURANT will be its fair market value, determined in a manner consistent with reasonable depreciation of the RESTAURANT's Operating Assets and Supplies, provided that the RESTAURANT will be valued as an independent business and its value will not include any value for:

(a) the Franchise or any rights granted by this Agreement;

(b) the goodwill attributable to the Marks, our brand image, and other intellectual property; or

(c) participation in the network of Mountain Mike's Pizza Restaurants.

We may exclude from the assets purchased cash or its equivalent and any Operating Assets and Supplies that are not reasonably necessary (in function or quality) to the

RESTAURANT's operation or that we have not approved as meeting standards for Mountain Mike's Pizza Restaurants, and the purchase price will reflect these exclusions.

(4) **Appraisal**.

If we and you are unable to agree on the RESTAURANT's fair market value, its fair market value will be determined by three (3) independent appraisers, each of whom will conduct an independent appraisal and, in doing so, be bound by the criteria specified in subparagraph (3). We will appoint one appraiser, you will appoint one appraiser and these two appraisers will appoint the third appraiser. You and we agree to select our respective appraisers within fifteen (15) days after we notify you that we are exercising our option to purchase the RESTAURANT (if you and we have not agreed on fair market value before then), and the two appraisers so chosen are obligated to appoint the third appraiser within fifteen (15) days after the date on which the last of them was appointed. You and we will bear the cost of our own appraisers and share equally the fees and expenses of the third appraiser chosen by the two appraisers. You agree that the appraisers will be instructed to complete their appraisal within thirty (30) days after the third appraiser's appointment. The RESTAURANT's fair market value will be deemed to be the median appraisal of the three (3) independent appraisals.

(5) **Closing**.

The purchase price will be paid at the closing of the purchase, which will take place not later than sixty (60) days after determination of the purchase price. We have the right to set off against the purchase price, and thereby reduce the purchase price by, any and all amounts you or your owners owe to us or our affiliates. At the closing, you agree to deliver instruments transferring to us:

(a) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and other transfer taxes paid by you;

(b) all licenses and permits of the RESTAURANT which may be assigned or transferred; and

(c) the leasehold interest in the Premises and improvements thereon.

If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the closing of the sale will be accomplished through an escrow. You and your owners further agree to execute general releases, in form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors and assigns.

F. **CONTINUING OBLIGATIONS.**

All of our and your (and your owners') obligations which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect

subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

16. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

A. INDEPENDENT CONTRACTORS.

You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. Nor are we the employer or joint employer of the RESTAURANT's employees. You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, RESTAURANT personnel, and others as the RESTAURANT's independent owner, operator, and manager under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising and marketing, and other materials we periodically require. We will not exercise direct or indirect control over the working conditions of RESTAURANT personnel, except to the extent such indirect control is related to our legitimate interest in protecting the quality of products, services, or the Mountain Mike's Pizza brand. We do not share or codetermine the terms and conditions of employment of RESTAURANT employees or affect matters relating to the employment relationship between you and RESTAURANT employees, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. To that end, you agree to identify yourself conspicuously in all dealings with RESTAURANT personnel as the employer of such personnel and that we, as the franchisor of Mountain Mike's Pizza Restaurants, are not their employer and do not engage in any employer-type activities for which only franchisees are responsible, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. You must obtain an acknowledgment (in the form we specify or approve) from all RESTAURANT employees that you (and not we) are their employer.

B. NO LIABILITY FOR ACTS OF OTHER PARTY.

You agree not to employ any of the Marks in signing any contract or applying for any license or permit, or in a manner that may result in our liability for any of your indebtedness or obligations, and that you will not use the Marks in any way we have not expressly authorized. Neither we nor you will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name or on behalf of the other, represent that our respective relationship is other than franchisor and franchisee or be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized in writing. We will not be obligated for any damages to any person or property directly or indirectly arising out of the RESTAURANT's operation or the business you conduct under this Agreement.

C. **TAXES.**

We will have no liability for any sales, use, service, occupation, excise, gross receipts, employment, income, property, or other taxes, whether levied upon you or the RESTAURANT, due to the business you conduct (except for our own income taxes). You must pay these taxes and reimburse us for any taxes we must pay to any state taxing authority on account of either your operation or payments you make to us (except for our own income taxes).

D. **INDEMNIFICATION.**

(i) You agree to indemnify and hold harmless us, our affiliates, and our and their respective owners, directors, officers, employees, agents, successors, and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, all Losses (defined below) incurred as a result of a claim asserted or inquiry made formally or informally, or a legal action, investigation, or other proceeding threatened or brought, by a third party and directly or indirectly arising out of the RESTAURANT's operation; the business you conduct under this Agreement; your noncompliance or alleged noncompliance with any law, ordinance, rule, or regulation, including any allegation that we or another Indemnified Party is a joint employer or otherwise responsible for your acts or omissions relating to your employees; or your breach of this Agreement. You also agree to defend the Indemnified Parties (unless an Indemnified Party chooses to defend at your expense, as provided in the following paragraph) against any and all such claims, inquiries, actions, investigations, and proceedings, including those alleging the Indemnified Party's negligence, gross negligence, willful misconduct, and willful wrongful omissions. However, you have no obligation to indemnify or hold harmless an Indemnified Party for any Losses to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party's negligence, willful misconduct, or willful wrongful omissions, so long as the claim to which those Losses relate is not asserted on the basis of theories of vicarious liability (including agency, apparent agency, or joint employment) or our failure to compel you to comply with this Agreement.

For purposes of this indemnification and hold harmless obligation, "Losses" include all obligations, liabilities, damages (actual, consequential, or otherwise), and reasonable defense costs that any Indemnified Party incurs. Defense costs include, without limitation, accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced. Each Indemnified Party may defend and otherwise respond to and address any claim asserted or inquiry made, or action, investigation, or proceeding brought (instead of having you defend it as required above), and, in cooperation with you, agree to settlements or take any other remedial, corrective, or other actions, for all of which defense and response costs and other Losses you are solely responsible (except as provided in the last sentence of the preceding paragraph).

Your obligations in this subparagraph (i) will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against you under this subparagraph (i). You agree that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this subparagraph (i).

(ii) We agree to indemnify and hold harmless you and your owners, directors, officers, employees, agents, successors, and assignees (the "Franchisee Indemnified Parties") against, and to reimburse any one or more of the Franchisee Indemnified Parties for, all Losses (as defined in subparagraph (i) above), including defense costs incurred in defending any action under subparagraph (i), that you incur as a result of a claim asserted or inquiry made, or a legal action, investigation, or other proceeding brought, by a third party, but only to the extent that a final unappealable ruling issued by a court or arbitrator with competent jurisdiction has determined that an Indemnified Party's negligence, willful misconduct, or willful wrongful omissions in fact occurred and solely and directly caused the Losses that the Franchisee Indemnified Party incurred, so long as the claim to which those Losses relate is not asserted on the basis of theories of vicarious liability (including agency, apparent agency, or joint employment) or our failure to compel you to comply with this Agreement. This indemnity and hold harmless will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. A Franchisee Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against us under this subparagraph (ii). We agree that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that a Franchisee Indemnified Party may recover from us under this subparagraph (ii).

17. ENFORCEMENT.

A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

Except as expressly provided to the contrary herein, each section, paragraph, term and provision of this Agreement, and any portion thereof, will be considered severable, and if, for any reason, any provision is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which we are a party, that ruling will not impair the operation of, or have any other effect upon, the other portions of this Agreement that may remain otherwise intelligible, which will continue to be given full force and effect and bind the parties hereto, although any portion held to be invalid will be deemed not to be a part of this Agreement from the date the time for appeal expires, if you are a party thereto, otherwise upon your receipt from us of a notice of non-enforcement.

If any covenant in this Agreement which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time, but would be enforceable by reducing any part or all thereof, you and we agree that the

covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law is applicable to the validity of the covenant.

If any applicable and binding law or rule of any jurisdiction requires a greater prior notice than is required under this Agreement of the termination of this Agreement or of our refusal to enter into a successor franchise agreement, or the taking of some other action not required under this Agreement, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid or unenforceable, the prior notice and/or other action required by the law or rule will be substituted for the comparable provisions hereof, and we will have the right, in our sole discretion, to modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable. You agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof, or any System Standard, any portion or portions which a court or arbitrator may hold to be unenforceable in a final decision to which we are a party, or from reducing the scope of any promise or covenant to the extent required to comply with a court order or arbitration award. These modifications to this Agreement will be effective only in that jurisdiction, unless we elect to give them greater applicability, and will be enforced as originally made and entered into in all other jurisdictions.

B. **WAIVER OF OBLIGATIONS.**

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver we grant will be without prejudice to any other rights we may have, will be subject to our continuing review and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of ten (10) days' prior written notice.

We and you will not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including, without limitation, our right to demand exact compliance with every term, condition and covenant in this Agreement or to declare any breach thereof to be a default and to terminate this Agreement before the expiration of its term) by virtue of any custom or practice at variance with the terms of this Agreement; our or your failure, refusal or neglect to exercise any right under this Agreement or to insist upon exact compliance by the other with our and your obligations under this Agreement, including, without limitation, any System Standard; our waiver, forbearance, delay, failure or omission to exercise any right, power or option, whether of the same, similar or different nature, with other Mountain Mike's Pizza Restaurants; the existence of other franchise agreements for Mountain Mike's Pizza Restaurants which contain different provisions from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will constitute a waiver, compromise, settlement or accord and satisfaction. We are authorized to remove or obliterate any legend or endorsement, which will have no effect.

Neither we nor you will be liable for loss or damage or deemed to be in breach of this Agreement if our or your failure to perform our or your obligations results from:

(1) transportation shortages, inadequate supply of equipment, products, supplies, labor, material or energy or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof;

(2) acts of God;

(3) fires, strikes, embargoes, war or riot; or

(4) any other similar event or cause.

Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or payment of Royalties, Marketing Fund contributions or Cooperative contributions due on any sales afterwards.

C. **COSTS AND ATTORNEYS' FEES.**

If we incur costs and expenses to enforce our rights or your obligations under this Agreement because you have failed to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you agree to reimburse us for all costs and expenses we incur, including, without limitation, reasonable accounting, attorneys', arbitrators', and related fees. Your obligation to reimburse us arises whether or not we begin a formal legal proceeding against you to enforce this Agreement. If we do begin such a formal legal proceeding against you, the reimbursement obligation applies to all costs and expenses we incur preparing for, commencing, and prosecuting the legal proceeding and until the proceeding has come to a complete end (including appeals and settlements).

D. **YOU MAY NOT WITHHOLD PAYMENTS DUE TO US.**

You agree that you will not withhold payment of any amounts owed to us on the grounds of our alleged nonperformance of any of our obligations under this Agreement. You agree that all claims will, if not otherwise resolved, be submitted to arbitration as provided in Paragraph F of this Section.

E. **RIGHTS OF PARTIES ARE CUMULATIVE.**

Our and your rights under this Agreement are cumulative, and no exercise or enforcement by us or you of any right or remedy under this Agreement will preclude our or your exercise or

enforcement of any other right or remedy under this Agreement which we or you are entitled by law to enforce.

F. ARBITRATION.

ALL CONTROVERSIES, DISPUTES OR CLAIMS BETWEEN US AND OUR AFFILIATES, AND OUR AND OUR AFFILIATES' RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS AND/OR EMPLOYEES AND YOU (AND/OR YOUR OWNERS, GUARANTORS, AFFILIATES AND EMPLOYEES, IF APPLICABLE) ARISING OUT OF OR RELATED TO:

(1) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN YOU (OR YOUR OWNERS) AND US OR ANY PROVISION OF ANY OF THESE AGREEMENTS;

(2) OUR RELATIONSHIP WITH YOU;

(3) THE SCOPE OR VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN YOU (OR YOUR OWNERS) AND US OR ANY PROVISION OF ANY OF THOSE AGREEMENTS (INCLUDING THE VALIDITY AND SCOPE OF THE ARBITRATION OBLIGATION UNDER THIS SECTION, WHICH WE AND YOU ACKNOWLEDGE IS TO BE DETERMINED BY AN ARBITRATOR AND NOT BY A COURT); OR

(4) ANY SYSTEM STANDARD RELATING TO THE ESTABLISHMENT OR OPERATION OF THE RESTAURANT;

MUST BE SUBMITTED FOR ARBITRATION TO THE AMERICAN ARBITRATION ASSOCIATION. THE ARBITRATION PROCEEDINGS WILL BE CONDUCTED BY ONE ARBITRATOR AND, EXCEPT AS THIS SUBSECTION OTHERWISE PROVIDES, ACCORDING TO THE AAA'S THEN CURRENT COMMERCIAL ARBITRATION RULES. ALL PROCEEDINGS WILL BE CONDUCTED AT A SUITABLE LOCATION CHOSEN BY THE ARBITRATOR THAT IS WITHIN TEN (10) MILES OF OUR THEN CURRENT PRINCIPAL BUSINESS ADDRESS (CURRENTLY, NEWPORT BEACH, CALIFORNIA). THE ARBITRATOR WILL HAVE NO AUTHORITY TO SELECT A DIFFERENT HEARING LOCALE OTHER THAN AS DESCRIBED IN THE PRIOR SENTENCE. ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.).

THE ARBITRATOR WILL HAVE THE RIGHT TO AWARD OR INCLUDE IN HIS OR HER AWARD ANY RELIEF WHICH HE OR SHE DEEMS PROPER IN THE CIRCUMSTANCES, INCLUDING, WITHOUT LIMITATION, MONEY DAMAGES (WITH INTEREST ON UNPAID AMOUNTS FROM THE DATE DUE), SPECIFIC PERFORMANCE, INJUNCTIVE RELIEF, AND ATTORNEYS' FEES AND COSTS IN ACCORDANCE WITH SECTION 17.C. ABOVE, PROVIDED THAT THE

ARBITRATOR WILL NOT HAVE THE RIGHT TO DECLARE ANY MARK GENERIC OR OTHERWISE INVALID OR, EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH I OF THIS SECTION, TO AWARD EXEMPLARY, PUNITIVE, TREBLE, AND OTHER FORMS OF MULTIPLE DAMAGES AGAINST THE OTHER. THE AWARD AND DECISION OF THE ARBITRATOR WILL BE CONCLUSIVE AND BINDING UPON ALL PARTIES HERETO, AND JUDGMENT UPON THE AWARD MAY BE ENTERED IN ANY COURT OF COMPETENT JURISDICTION.

WE AND YOU AGREE TO BE BOUND BY THE PROVISIONS OF ANY LIMITATION ON THE PERIOD OF TIME IN WHICH CLAIMS MUST BE BROUGHT UNDER APPLICABLE LAW OR THIS AGREEMENT, WHICHEVER EXPIRES EARLIER. WE AND YOU FURTHER AGREE THAT, IN CONNECTION WITH ANY ARBITRATION PROCEEDING, EACH MUST SUBMIT OR FILE ANY CLAIM WHICH WOULD CONSTITUTE A COMPULSORY COUNTERCLAIM (AS DEFINED BY THE FEDERAL RULES OF CIVIL PROCEDURE) WITHIN THE SAME PROCEEDING AS THE CLAIM TO WHICH IT RELATES. ANY CLAIM WHICH IS NOT SUBMITTED OR FILED AS DESCRIBED ABOVE WILL BE FOREVER BARRED. THE ARBITRATOR MAY NOT CONSIDER ANY SETTLEMENT DISCUSSIONS OR OFFERS THAT MIGHT HAVE BEEN MADE BY EITHER YOU OR US. WE RESERVE THE RIGHT, BUT HAVE NO OBLIGATION, TO ADVANCE YOUR SHARE OF THE COSTS OF ANY ARBITRATION PROCEEDING IN ORDER FOR SUCH ARBITRATION PROCEEDING TO TAKE PLACE AND BY DOING SO SHALL NOT BE DEEMED TO HAVE WAIVED OR RELINQUISHED OUR RIGHT TO SEEK THE RECOVERY OF THESE COSTS IN ACCORDANCE WITH SECTION 17.C. ABOVE.

WE AND YOU AGREE THAT ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE, BASIS; THAT ONLY WE AND OUR AFFILIATES, AND OUR AND OUR AFFILIATES' RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS AND/OR EMPLOYEES, AND YOU (AND/OR YOUR OWNERS, GUARANTORS, AFFILIATES AND EMPLOYEES, IF APPLICABLE) MAY BE THE PARTIES TO ANY ARBITRATION PROCEEDING DESCRIBED IN THIS SECTION; AND THAT NO SUCH ARBITRATION PROCEEDING SHALL BE CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING INVOLVING US AND ANY OTHER PERSON, CORPORATION OR PARTNERSHIP. NOTWITHSTANDING THE FOREGOING OR ANYTHING TO THE CONTRARY CONTAINED IN THIS SECTION 17.F., IF ANY COURT OR ARBITRATOR DETERMINES THAT ALL OR ANY PART OF THE PRECEDING SENTENCE IS UNENFORCEABLE WITH RESPECT TO A DISPUTE THAT OTHERWISE WOULD BE SUBJECT TO ARBITRATION UNDER THIS SECTION, THEN ALL PARTIES AGREE THAT THIS ARBITRATION CLAUSE SHALL NOT APPLY TO THAT DISPUTE AND THAT SUCH DISPUTE SHALL BE RESOLVED IN A JUDICIAL PROCEEDING IN ACCORDANCE WITH SECTION 17 OF THIS AGREEMENT (EXCLUDING THIS SECTION 17.F.).

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS PARAGRAPH, WE AND YOU EACH HAVE THE RIGHT IN A PROPER CASE TO SEEK TEMPORARY RESTRAINING ORDERS AND TEMPORARY OR PRELIMINARY INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION; PROVIDED, HOWEVER, THAT WE AND YOU MUST CONTEMPORANEOUSLY SUBMIT OUR DISPUTE FOR ARBITRATION ON THE MERITS AS PROVIDED IN THIS SECTION.

THE PROVISIONS OF THIS PARAGRAPH ARE INTENDED TO BENEFIT AND BIND CERTAIN THIRD PARTY NON-SIGNATORIES AND WILL CONTINUE IN FULL FORCE AND EFFECT SUBSEQUENT TO AND NOTWITHSTANDING THE EXPIRATION OR TERMINATION OF THIS AGREEMENT.

G. GOVERNING LAW.

ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT AS REQUIRED HEREBY, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.) OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY CALIFORNIA LAW REGULATING FRANCHISE OFFER AND SALE ACTIVITY OR GOVERNING THE FRANCHISOR-FRANCHISEE RELATIONSHIP WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.

H. CONSENT TO JURISDICTION.

SUBJECT TO SECTION 17.F. AND THE PROVISIONS BELOW, YOU AND YOUR OWNERS AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN YOU AND US SHALL BE COMMENCED IN THE STATE OR FEDERAL COURT OF GENERAL JURISDICTION LOCATED CLOSEST TO OUR THEN CURRENT PRINCIPAL BUSINESS ADDRESS (CURRENTLY, NEWPORT BEACH, CALIFORNIA), AND YOU (AND EACH OWNER) IRREVOCABLY SUBMIT TO THE JURISDICTION OF SUCH COURTS AND WAIVE ANY OBJECTION YOU (AND EACH OWNER) MAY HAVE TO EITHER THE JURISDICTION OF OR VENUE IN SUCH COURTS. NOTWITHSTANDING THE FOREGOING, YOU AND YOUR OWNERS AGREE THAT WE MAY ENFORCE THIS AGREEMENT AND ANY ARBITRATION ORDERS IN THE COURTS OF THE STATE OR STATES IN WHICH YOU ARE DOMICILED OR THE RESTAURANT IS LOCATED.

I. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.**

EXCEPT FOR YOUR OBLIGATION TO INDEMNIFY US UNDER SECTION 16.D. AND CLAIMS WE BRING AGAINST YOU FOR YOUR UNAUTHORIZED USE OF THE MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, WE AND YOU AND YOUR RESPECTIVE OWNERS WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, TREBLE, AND OTHER FORMS OF MULTIPLE DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

WE AND YOU (AND YOUR OWNERS) IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER US OR YOU (OR YOUR OWNERS). WE AND YOU (AND YOUR OWNERS) ACKNOWLEDGE THAT WE AND YOU (AND THEY) MAKE THIS WAIVER KNOWINGLY, VOLUNTARILY, WITHOUT DURESS, AND ONLY AFTER CONSIDERING THIS WAIVER'S RAMIFICATIONS.

J. **BINDING EFFECT.**

This Agreement is binding upon us and you and our respective executors, administrators, heirs, beneficiaries, assigns and successors in interest and may not be modified except by a written agreement signed by you and us specifying our and your intent to modify this Agreement.

K. **LIMITATIONS OF CLAIMS.**

Except for claims arising from your non-payment or underpayment of amounts you owe us and except for our (and certain of our related parties') right to seek indemnification from you for third-party claims as provided in this Agreement, any and all claims arising out of or relating to this Agreement or our relationship with you will be barred unless a judicial or arbitration proceeding is commenced within one (1) year from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims.

L. **CONSTRUCTION.**

The preambles and exhibits are a part of this Agreement which, together with the Operations Manual and our other written policies, constitutes our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or, except as provided in our Franchise Disclosure Document, oral or written representations by us, relating to the subject matter of this Agreement. Nothing in this Agreement or any related agreement is intended to disclaim our representations in our Franchise Disclosure Document. Any policies that we adopt and implement from time to time are subject to change, are not a part of this Agreement, and are not binding on us. Except as contemplated by Sections 16.D. and 17.F.,

nothing in this Agreement is intended, nor is deemed, to confer any rights or remedies upon any person or legal entity not a party hereto.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated or effected actions that require our approval.

The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit or construe the contents of these sections or paragraphs.

References in this Agreement to "we," "us" and "our," with respect to all of our rights and all of your obligations to us under this Agreement, will be deemed to include any of our affiliates with whom you deal. The term "affiliate," as used herein with respect to you or us, means any person or entity directly or indirectly owned or controlled by, under common control with or owning or controlling you or us. For purposes of this definition, "control" means the power to direct or cause the direction of management and policies.

If two or more persons are at any time the Owner hereunder, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. References to "owner" mean any person holding a direct or indirect, legal or beneficial ownership interest or voting rights in you (or a transferee of this Agreement and the RESTAURANT or an interest in you), including, without limitation, any person who has a direct or indirect interest in you (or a transferee), this Agreement, the Franchise or the RESTAURANT and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in the revenue, profits, rights or assets thereof. References to a "controlling interest" in you mean the percent of the voting shares or other voting rights resulting from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in you, whether a "controlling interest" is involved must be determined both immediately before and immediately after the proposed transfer to see if a "controlling interest" will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer). "Person" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative or other legal or functional entity.

The term "RESTAURANT" includes all of the assets of the Mountain Mike's Pizza Restaurant you operate under this Agreement, including its revenue and income and the Lease.

This Agreement may be executed in multiple copies, each of which will be deemed an original.

18. **NOTICES AND PAYMENTS.**

All written notices, reports and payments permitted or required to be delivered by the provisions of this Agreement or the Operations Manual will be deemed so delivered:

(1) at the time delivered by hand;

(2) at the time delivered via computer transmission and, in the case of the Royalty and Marketing Fund contributions, at the time we actually debit your account;

(3) one (1) business day after transmission by telecopy, facsimile or other electronic system if the sender has confirmation of successful transmission;

(4) one (1) business day after being placed in the hands of a commercial courier service for next business day delivery; or

(5) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid;

and must be addressed to the party to be notified at its most current principal business address of which the notifying party has been notified. Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before then) will be deemed delinquent.

19. **COMPLIANCE WITH ANTI-TERRORISM LAWS.**

You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with all applicable legislation, laws, regulations, rules, ordinances, administrative orders, decrees and policies of any court, arbiter, government, governmental agency, department, or similar organization that are in effect from time to time pertaining to: (a) the various anti-terrorism, economic sanctions, and anti-money laundering and narco-trafficking laws, regulations, orders, decrees and guidelines of the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), (b) the USA PATRIOT Act (Title III of Pub. L. 107-56, signed into law October 26, 2001), as amended, (c) the provisions of United States Executive Order 13224, (d) the U.S. Prevention of Corruption Act 1988, (e) the U. S. Foreign Corrupt Practices Act, 15 U.S.C. Section 78dd 2, (e) relevant multilateral measures such as the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the UN Convention Against Corruption, (f) bribery and anti-corruption laws, (g) the laws against money laundering, and (h) the laws against facilitating or supporting persons who conspire to commit these and other crimes against any person or government. You immediately shall notify us in writing if a potential violation of any of the foregoing legislation, laws, regulations, rules, ordinances, administrative orders, decrees and/or policies has occurred or is suspected to have occurred. You immediately shall provide us with copies of any communication to or from any such agency, government, or commission that relates to or affects this Agreement, the RESTAURANT, or the Marks. Any failure to comply with this Section by you or your owners, or any blocking of your or your owners' assets under any of such laws,

legislation, regulations, orders, decrees and/or policies shall constitute good cause for immediate termination of this Agreement, as provided in Subsection 14.B (21) above.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement, to be effective as of the date set forth next to our signature below.

MOUNTAIN MIKE'S PIZZA, LLC,
a Delaware limited liability company

By:_____

Title:_____

DATED:_____

FRANCHISEE

(IF CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP):

_____
[Name]

By:_____

Its:_____

DATED:_____

(IF INDIVIDUALS):

_____
[Signature]

_____
[Print Name and Date]

_____
[Signature]

_____
[Print Name and Date]

EXHIBIT A

TO THE FRANCHISE AGREEMENT
BETWEEN MOUNTAIN MIKE'S PIZZA, LLC
AND
DATED _____, 201_

Effective Date: This Exhibit A is current and complete as of _____, 201_

You and Your Owners

1. **Form of Owner**.

(a) **Proprietorship**. Your owner(s) (is) (are) as follows:

_____

_____

_____

(b) **Corporation, Limited Liability Company or Partnership.** You were incorporated or formed on _____, _____, under the laws of the State of _____. You have not conducted business under any name other than your corporate, limited liability company or partnership name and _____ _____. The following is a list of your directors, if applicable, and officers as of the effective date shown above:

Name of Each Director/Officer	Position(s) Held
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

2. **Owners**. The following list includes the full name and mailing address of each person who is one of your owners (as defined in the Franchise Agreement) and fully describes the nature of each owner's interest (attach additional pages if necessary).

	Owner's Name and Address	**Description of Interest**
(a)	_____	_____
(b)	_____	_____
(c)	_____	_____
(d)	_____	_____

MOUNTAIN MIKE'S PIZZA, LLC,
a Delaware limited liability company

By:_____

Title:_____

DATED:_____

FRANCHISEE

(IF CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP):

_____
[Name]

By:_____

Title:_____

DATED:_____

(IF INDIVIDUALS):

_____
[Signature]

_____
[Print Name and Date]

_____
[Signature]

_____
[Print Name and Date]

EXHIBIT B

EXCLUSIVE AREA

1. The Exclusive Area referred to in Section 1.D. of the Franchise Agreement shall be as follows: _____

_____

_____

If the Exclusive Area is identified by counties or other political subdivisions, political boundaries shall be considered fixed as of the date of this Agreement and shall not change for the purpose hereof, notwithstanding a political reorganization or change to the boundaries or regions. All street boundaries shall be deemed to end at the street center line unless otherwise specified above.

MOUNTAIN MIKE'S PIZZA, LLC,
a Delaware limited liability company

By:_____

Title:_____

DATED:_____

FRANCHISEE

(IF CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP):

_____
[Name]

By:_____

Title:_____

DATED:_____

(IF INDIVIDUALS):

_____
[Signature]

_____
[Print Name and Date]

_____
[Signature]

_____
[Print Name and Date]

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of _____, 201_, by _____
_____
_____
_____.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the "Agreement") on this date by MOUNTAIN MIKE'S PIZZA, LLC ("us," "we," or "our"), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including, without limitation, any extensions of its term) and afterward as provided in the Agreement, that _____ ("**Franchisee**") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including, without limitation, any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including, without limitation, any amendments or modifications of the Agreement), including (i) monetary obligations, (ii) obligations to take or refrain from taking specific actions and to engage or refrain from engaging in specific activities, including, but not limited to, the non-competition, confidentiality, and transfer requirements, and (iii) the enforcement and other provisions in Sections 17, 18, and 19 of the Agreement, including the arbitration provision.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or another person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence we may from time to time grant to Franchisee or to another person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including, without limitation, any release of other guarantors), none of which will in any way modify or amend this Guaranty, which will continue and be irrevocable during the term of the Agreement (including, without limitation, any extensions of its term) for so long as any performance is or might be owed under the Agreement by Franchisee or any of its owners and for so long as we have any cause of action against Franchisee or any of its owners; (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers; and (6) any Franchisee indebtedness to the undersigned, for whatever reason, whether currently existing or hereafter arising, will at all times be inferior and subordinate to any indebtedness owed by Franchisee to us or our affiliates.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty; (ii) acceptance and notice of

acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled; and (iii) all rights to assert or plead any statute of limitations or other limitations period as to or relating to this Guaranty. The undersigned expressly acknowledges that the obligations under this Guaranty survive expiration or termination of the Agreement.

If we seek to enforce this Guaranty in an arbitration, judicial, or other proceeding and prevail in that proceeding, we are entitled to recover our reasonable costs and expenses (including, but not limited to, attorneys' fees, arbitrators' fees, and expert witness fees, costs of investigation and proof of facts, court costs, other arbitration or litigation expenses, and travel and living expenses) incurred in connection with such proceeding. If we are required to engage legal counsel in connection with the undersigned's failure to comply with this Guaranty, the undersigned must reimburse us for any of the above-listed costs and expenses we incur, even if we do not commence a judicial or arbitration proceeding.

Subject to the arbitration obligations (as set forth in the Agreement) and the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between us and the undersigned, must be brought exclusively in the state or federal court of general jurisdiction in the state, and in (or closest to) the city, where we have our principal business address when the action is commenced, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that we may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled. WE AND THE UNDERSIGNED IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY US OR THE UNDERSIGNED. WE AND THE UNDERSIGNED ACKNOWLEDGE THAT WE AND THE UNDERSIGNED MAKE THIS WAIVER KNOWINGLY, VOLUNTARILY, WITHOUT DURESS, AND ONLY AFTER CONSIDERATION OF THIS WAIVER'S RAMIFICATIONS.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

GUARANTOR(S)	**PERCENTAGE OF OWNERSHIP IN FRANCHISEE**

EXHIBIT C

COLLATERAL ASSIGNMENT OF LEASE

MOUNTAIN MIKE'S PIZZA, LLC
COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned ("Assignor") assigns and transfers to MOUNTAIN MIKE'S PIZZA, LLC, a Delaware limited liability company ("Assignee"), all of Assignor's right and title to and interest as tenant in that certain lease, a copy of which is attached as Exhibit A (the "Lease"), respecting premises commonly known as [STORE STREET ADDRESS, CITY, STATE, ZIP CODE]. This assignment is for collateral purposes only, and, except as specified in this document, Assignee will have no liability or obligation of any kind whatsoever arising from or in connection with this assignment or the Lease unless and until Assignee takes possession of the premises the Lease demises according to the terms of this document and assumes the obligations of Assignor under the Lease.

Assignor represents and warrants to Assignee that it has full power and authority to assign the Lease and its interest in it and that Assignor has not previously assigned or transferred, and is not otherwise obligated to assign or transfer, any of its interest in the Lease or the premises it demises.

Assignee has the right to take possession of the leased premises and expel Assignor from the premises in the event that either (i) Assignee cures any default by Assignor under the Lease within thirty (30) days following the expiration of any applicable cure period if Assignee fails to cure such default or (ii) the franchise agreement for a MOUNTAIN MIKE'S PIZZA RESTAURANT between Assignee and Assignor (the "Franchise Agreement") either expires or is terminated prior to its expiration. In that event, Assignor will have no further right and title to or interest in the Lease and will remain liable to Assignee for all past due rents Assignee must pay to Lessor to effectuate the assignment this document contemplates.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without Assignee's prior written consent. Throughout the term of the Franchise Agreement, Assignor agrees that it will elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days before the last day upon which the option must be exercised, unless Assignee agrees otherwise in writing. Upon Assignee's failure to agree otherwise in writing, and upon Assignor's failure to elect to extend or renew the Lease as required, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact with the authority to exercise the extension or renewal options in Assignor's name and place for the sole purpose of effecting the extension or renewal.

ASSIGNOR:

Dated:_____

ATTEST:

[IF APPLICABLE, FRANCHISEE ENTITY'S NAME AND STATE OF INCORPORATION]

By:_____
Its:_____

By: _____
Its: _____

INDIVIDUAL SIGNATURE(S):

_____
[Name]

_____
[Name]

CONSENT TO COLLATERAL ASSIGNMENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the Lease:

(a) Agrees to notify Assignee in writing of, and upon Assignor's failure to cure, any default by Assignor under the Lease;

(b) Agrees that Assignee has the right, but not the obligation, to cure any default by Assignor under the Lease within 30 days after Lessor's delivery of notice of the default under section (a) above;

(c) Consents to the Collateral Assignment and agrees that, if Assignee takes possession of the leased premises, either because (i) Assignee cures any default by Assignor under the Lease within thirty (30) days following the expiration of any applicable cure period if Assignee fails to cure such default or (ii) the franchise agreement for a MOUNTAIN MIKE'S PIZZA RESTAURANT between Assignee and Assignor (the "Franchise Agreement") either expires or is terminated prior to its expiration, and confirms to Lessor Assignee's assumption of the Lease as tenant, Lessor will recognize Assignee as tenant under the Lease; and

(d) Agrees that Assignee may further assign the Lease to or enter into a sublease with a person, firm or corporation who agrees to assume the tenant's obligations under the Lease and is reasonably acceptable to Lessor and that, upon such assignment, Assignee will have no further liability or obligation under the Lease as assignee, tenant or otherwise, other than to certify that the additional assignee or sublessee operates the leased premises as a MOUNTAIN MIKE'S PIZZA RESTAURANT.

DATED:_____

_____

_____, Lessor

EXHIBIT D

PRINCIPAL'S AGREEMENT

MOUNTAIN MIKE'S PIZZA, LLC
PRINCIPAL'S AGREEMENT

THIS PRINCIPAL'S AGREEMENT (the "Agreement") is made and entered into this ___ day of _____, 201_, by and among **MOUNTAIN MIKE'S PIZZA, LLC**, a Delaware limited liability company ("MMP"), and the owners, directors, officers, managers, and/or principals whose names and signatures appear below (collectively, the "Principals" or, individually, a "Principal").

W I T N E S S E T H:

WHEREAS, MMP has entered into that certain Franchise Agreement dated _____, 201_ (the "Franchise Agreement") with _____ (the "Entity"); and

WHEREAS, MMP desires to set forth each Principal's respective liabilities and responsibilities.

NOW, THEREFORE, in consideration of MMP's entry into the Franchise Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. The preambles are incorporated by this reference.

2. Each of the undersigned Principals individually agrees that:

   (a) he or she will be subject to, and comply with, all of the Entity's non-monetary obligations under the Franchise Agreement (including, but not limited to, the provisions of Sections 5, 6, 7, and 15.D. relating to the trademarks, confidential information, and covenants not to compete) as if he or she were the Franchisee under the Franchise Agreement;

   (b) the liabilities and obligations arising under subsection (a) are independent liabilities and obligations of each Principal and will not be contingent or conditioned upon MMP's pursuit of any remedies against the Entity or any other person under the Franchise Agreement; and

   (c) the liabilities and obligations arising under subsection (a) are independent liabilities and obligations of each Principal and will not be diminished, relieved or otherwise affected by any extension of time or credit, the acceptance of any partial payment or performance, or the compromise or release of any claims.

Each of the undersigned Principals waives all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against the Entity arising as a result of the undersigned's execution of and performance under this Agreement.

3. This Agreement will terminate only upon the termination or expiration of the Entity's and Principals' noted obligations under the Franchise Agreement.

4. The provisions of the Franchise Agreement relating to "Enforcement" are incorporated in this Agreement by this reference and will apply fully to each party's obligations and liabilities.

5. Each of the undersigned Principals represents that he or she owns the percentage interest or holds the position in the Entity shown opposite his or her signature below.

6. Each Principal represents that the signatures of all Principals (as defined above) of the Entity appear below or in another original copy of this Agreement (except for those individuals who have signed the Guaranty and Assumption of Obligations attached to the Franchise Agreement) and that the Entity has no other owners, directors, officers, or managers.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

MOUNTAIN MIKE'S PIZZA, LLC,
a Delaware limited liability company

By:_____
Its:_____

OWNERS: **[Name and Signature]**	**PERCENTAGE OWNERSHIP**
_____/	_____
_____/	_____
_____/	_____
_____/	_____

OFFICERS: **POSITION**
[Name and Signature]

_____/_____

_____/_____

_____/_____

_____/_____

DIRECTORS:
[Name and Signature]

_____

_____

_____

_____

OTHER: **POSITION**
[Name and Signature]

_____/_____

_____/_____

_____/_____

EXHIBIT E

LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process.

There also may be additional agents appointed in some of the states listed.

CALIFORNIA

Commissioner of the Department of Business Oversight:
Toll Free: 1 (866) 275-2677

Los Angeles

Suite 750
320 West 4th Street
Los Angeles, California 90013-2344
(213) 576-7500

Sacramento

1515 K Street, Suite 200
Sacramento, California 95814-4052
(916) 445-7205

San Diego

1350 Front Street, Rm. 2034
San Diego, California 92101-3697
(619) 525-4233

San Francisco

One Sansome Street, Suite 600
San Francisco, California 94105-2980
(415) 972-8559

HAWAII

(for service of process)

Commissioner of Securities Business Registration Division Department of Commerce and Consumer Affairs
335 Merchant Street, Room 205
Honolulu, Hawaii 96813
(808) 586-2722

(for other matters)

Commissioner of Securities
Business Registration Division
Department of Commerce and Consumer Affairs
335 Merchant Street, Room 205
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

Illinois Attorney General 500 South Second Street Springfield, Illinois 62706
(217) 782-4465

INDIANA

for service of process)

Indiana Secretary of State 201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

(state agency)

Indiana Secretary of State Securities Division Room E-111
302 West Washington Street
Indianapolis, IN 46204
(317)232-6681

MARYLAND

(state agency)

Office of the Attorney General-Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(for service of process)

Maryland Securities Commissioner at the Office of Attorney General-Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

Corporations Division Franchise
P.O. Box 30054 Lansing, MI 48909
(517) 373-7117

MINNESOTA

Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101
(651) 539-1500

NEW YORK

(Administrator)

Office of the New York State Attorney General Investor Protection Bureau Franchise Section
120 Broadway, 23rd Floor New York, NY 10271-0332 (212) 416-8236 (Phone)
(212) 416-6042 (Fax)

(Agent for Service)

Attention: New York Secretary of State New York Department of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor Albany, NY 12231-0001
(518) 473-2492

NORTH DAKOTA

(state agency)

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol Fifth Floor Dept 414 Bismarck, North Dakota
58505-0510 (701) 328-4712

(for service of process)

Securities Commissioner
600 East Boulevard Avenue State Capitol Fifth Floor Dept 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

OREGON

Oregon Division of Finance and Corporate Securities
350 Winter Street NE, Room 410
Salem, Oregon 97301-3881
(503) 378-438

RHODE ISLAND

Securities Division
Department of Business Regulations
1511 Pontiac Avenue
John O. Pastore Complex-Building 69-1 Cranston, RI 02920
(401) 462-9500

SOUTH DAKOTA

Division of Securities
Department of Labor and Regulation
124 S. Euclid, Suite 104
Pierre, SD 57501
(605) 773-4823

VIRGINIA

(for service of process)

Clerk, State Corporation Commission
1300 East Main Street
First Floor
Richmond, Virginia 23219
(804) 371-9733

(for other matters)

State Corporation Commission
Division of Securities and Retail Franchising 1300 East Main Street
Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

WASHINGTON

(for service of process)

Director Department of Financial Institutions Securities Division
150 Israel Road SW
Tumwater, Washington
98501
(360) 902-8760

(for other matters)

Department of Financial Institutions
Securities Division
P. O. Box 9033
Olympia, Washington 98501-9033
(360) 902-8760

WISCONSIN

Commissioner of Securities
345 W. Washington Ave., 4th Floor
Madison, Wisconsin 53703
(608) 266-8557

EXHIBIT F

OPERATIONS MANUAL TABLE OF CONTENTS

MOUNTAIN MIKE'S PIZZA

OPERATIONS MANUAL

INDEX

INTRODUCTION....2
EMPLOYEE RELATIONS....3
ACCOUNTING....7
OPERATIONAL BEST PRACTICES....14
SECURITY AND SAFETY....22
CUSTOMER SERVICE....24
FOOD HANDLING PROCEDURES....26
APPROVED PRODUCT LIST....32
PREPARATION and STORAGE OF FOOD ITEMS....39
PIZZA PRODUCT MAKE-UP....64
PIZZA COOKING, CUTTING and SERVING....80
OVEN BAKED and PIZZA SANDWICHES....83
BAKING SANDWICHES....85
OTHER MENU ITEMS....88
DISPENSING and SERVING BEVERAGES....91
EQUIPMENT MAINTENACE....93
OPERATIONAL FORMS....99
PIZZA GLOSSARY....191

Total Number of Pages: 226

EXHIBIT G

LIST OF FRANCHISEES

List of Franchisees as of 12/31/18

Restaurant Address	City	State	Zip	Restaurant Phone #	Owner
714 Central Ave	Alameda	CA	94501	(510) 749-9499	Gurkirat Singh Nijjar
410 Napa Junction Road, Suite 106	American Canyon	CA	95403	(707) 563-5505	Amritpal Singh Bajwa, Jatinder Singh, Pardeep Singh
4207 Elverta Rd, Suite 105	Antelope	CA	95843	(916) 726-2929	Harnek Athwal
3612 Lone Tree Way	Antioch	CA	94509	(925) 757-3080	Harmanjeet Singh Sandhawalia
5005 Lone Tree Way #L	Antioch	CA	94509	(925) 755-4343	Amandeep Singh Nijhar
2509 Somersville Road	Antioch	CA	94509	(925) 755-3000	Sharan Shergill
2751 Shaffer Road, Suite 17	Atwater	CA	95301	(209) 358-5000	Rajwant R Abedi
2520 Bell Road	Auburn	CA	95603	(530) 888-8050	Seema Narula & Rajinder Narula
11000 Brimhall Rd	Bakersfield	CA	93312	(661) 588-8818	Michael Payne
5700 Stine Road	Bakersfield	CA	93313	(661) 834-2022	Julie Griffith and Michael Griffith
5632 Stockdale Highway	Bakersfield	CA	93309	(661) 869-2300	Julie Griffith
390 El Camino Real	Belmont	CA	94002	(650) 508-1100	Gurpreet Singh Buttar, Kirandeep Singh
2130 Columbus Parkway	Benicia	CA	94510	(707) 746-7522	Sabina and Amarjit Tamber
1746 Solano Ave	Berkeley	CA	94707	(510) 558-1111	Saul Ramirez
1610 San Pablo Ave	Berkeley	CA	94702	(510) 524-1000	Inderdeep Sidhu, Kamaljit Sidhu, Amarjit Sidhu
380 W Country Club Lane	Brentwood	CA	94513	(925) 513-5939	Luis & Melissa Seita
1185 2nd Street, Suite M	Brentwood	CA	94513	(925) 308-4544	Luis & Melissa Seita
2650 Cameron Park Dr	Cameron Park	CA	95682	(530) 676-9600	Ranjit Singh
301 E. Hamilton Ave	Campbell	CA	95008	(408) 378-9090	Curt Moscini and Janet Moscini
26541 Carmel Rancho Blvd	Carmel	CA	93923	(831) 624-1007	Steven Park
5019 El Camino Avenue	Carmichael	CA	95608	(916) 486-1010	Lakhwinder Ghuman
4141 Manzanita Ave #220	Carmichael	CA	95608	(916) 488-7676	Harveer Sekhon
20261 Patio Drive	Castro Valley	CA	94546	(510) 537-1400	Swaran Singh
2912 Whitmore Ave	Ceres	CA	95307	(209) 537-7777	Johnny and Fabiola Babasi
1633 E Hatch Road, Suite B	Modesto	CA	95351	(209) 538-8500	Steve Wikoff
1722 Mangrove Ave #28	Chico	CA	95926	(530) 893-1923	Steve & Lisa Himmelspach
1105 W 5th Street	Chico	CA	95928	(530) 899-9115	Steve & Lisa Himmelspach
7011 Schaefer Ave, Suite A	Chino	CA	91710	(909) 628-6000	Ravinder S Basati and Amninder Cheema
7777 Sunrise Blvd , Suite 3700	Citrus Heights	CA	95610	(916) 728-1111	Dalvir Singh Brar
1798 Ashlan Ave	Clovis	CA	93611	(559) 291-9999	Ravinder S Basati and Amninder Cheema
5358 Clayton Road	Concord	CA	94521	(925) 689-4965	Balbir Mann
3501 Clayton Road	Concord	CA	94519	(925) 676-9000	Balbir Mann
140 Ontario Ave, Suite 104	Corona	CA	92882	(951) 279-8000	Ashish Brar and Rajpal Kaur Dhaliwal
130 Hartz Avenue	Danville	CA	94526	(925) 552-7071	Mandeep & Sumeet Saini
1555 Riverlake Rd	Discovery Bay	CA	94505	925-240-6966	Luis & Melissa Seita
8951 San Ramon Road	Dublin	CA	94568	(925) 829-1670	Rajesh & Namrata Berry
10750 San Pablo Ave	El Cerrito	CA	94530	(510) 526-6000	Karanver Bhatia
2222 Francisco Dr	El Dorado Hills	CA	95762	(916) 934-0262	Sal annd Sandi Viscuso
5010 Elk Grove Blvd #140	Elk Grove	CA	95758	(916) 684-0808	Simarjit Kaur
8441 Elk Grove Blvd, Florin Rd	Elk Grove	CA	95624	(916) 681-6878	Karamjit Singh, Inderjit Singh

8690 Elk Grove Blvd , Suite 3	Elk Grove	CA	95624	(916) 685-5107	Peter, Kamal & Harjeet Singh
7440 Laguna Blvd #114	Elk Grove	CA	95758	(916) 684-7888	Daljit Virdi
9320 Elk Grove Blvd #150	Elk Grove	CA	95624	(916) 896-0880	Dimitri & June Grekoff
1255 Lillian Ave	Escalon	CA	95320	(209) 838-8200	Maddox Resources Inc
5267 Sunrise Blvd	Fair Oaks	CA	95628	(916) 961-4000	Paul Grewal
251 Pittman Road, Unit A	Fairfield	CA	94534	(707) 864-1700	Mandeep Saini and Gurjeet Singh
1819 North Texas Street, Suite 1	Fairfield	CA	94533	(707) 422-6000	Balbir Singh Mann
1125 S Mission Blvd	Fallbrook	CA	92028	(760) 645-0505	Gurjeet Mann & Sandeep Paul
717 E Bidwell St, Suite 4	Folsom	CA	95630	(916) 983-3331	Gurpal Sidhu
3900 Decoto Rd	Fremont	CA	94555	(510) 713-7100	Gurpreet Buttar
39415 Fremont Blvd	Fremont	CA	94538	(510) 490-7500	Gurpreet Buttar & Rajwrinder Gill
3952 Washington Blvd	Fremont	CA	94538	(510) 490-4007	Gurpreet Buttar
5150 E Kings Canyon Rd	Fresno	CA	93727	(559) 255-1100	Johnny Babasi
8965 North Cedar Ave	Fresno	CA	93720	(559) 261-4111	Ravinder S. Basati
3842 West Shaw Ave	Fresno	CA	93711	(559) 277-0777	Tariq Abedi
1089 East Shaw Ave	Fresno	CA	93710	(559) 241-7210	Tariq Abedi and Sanjiv Karrha
1055 Herdon, Suite 101	Fresno	CA	93720	(559) 439-5898	Billy Copple and Dusten Perry
10400 Twin Cities Rd. #50	Galt	CA	95632	(209) 745-4544	Asmeet Singh
747 First Street	Gilroy	CA	95020	(408) 846-1900	Baljit Sekhon and Kuljit Sekhon
2220 Gold Springs Court	Gold River	CA	95670	(916) 917-5511	Robert Murcia & Samantha Smith
6811 Douglas Blvd	Granite Bay	CA	95746	(916) 773-0909	Sal annd Sandi Viscuso
151 W McKnight Way	Grass Valley	CA	95945	(530) 272-9066	Paul & Harkesh Sandhu
820 West Lacey Blvd	Hanford	CA	93230	(559) 585-1135	Ken Turner
31083 Mission Blvd.	Hayward	CA	94544	(510) 487-6453	Avtar Singh & Surinder K. Bhagat
410 W Harder Road	Hayward	CA	94544	(510) 264-0387	Kurt Singh & Rajwant Singh
1051 Vine Street	Healdsburg	CA	94301	(707) 433-2911	Gurcharan Singh, Kulwant Kaur and Bhupinder Singh
848 Willow Ave, Suite C-D	Hercules	CA	94547	(510) 245-1100	Mandeep Saini & Ramandeep Singh
261 McCray Street, Suite A	Hollister	CA	95023	(831) 637-6922	Ravinder S Basati and Amninder Cheema
11974 Highway 88 2082	Jackson	CA	95642	(209) 223-0200	Rene Ziegler and Teri Williams
22942 Ridge Route Dr., Suite 100	Lake Forest	CA	92630	(949) 586-4141	Raj Lehl
229 Louise Avenue, Suite C & D	Lathrop	CA	95330	(209) 858-1444	TJ
820 Sterling Parkway	Lincoln	CA	95648	(916) 543-9997	Jasveer Sohal & Bahader Sohal
1129 Catalina Drive	Livermore	CA	94550	(925) 453-6903	Jeff & Tevani Liotard
1472 N Vasco Road	Livermore	CA	94551	(925) 455-8999	Jeff & Tevani Liotard
1304 First Street	Livermore	CA	94550	(925) 960-9555	Jeff & Tevani Liotard
728 W Kettleman Lane	Lodi	CA	95240	(209) 625-8380	Mandeep Singh & Jaswinder Bains
550-E South Cherokee Lane	Lodi	CA	95240	(209) 333-0173	Hossein Fardsalehi
509 Pacheco Blvd	Los Banos	CA	93635	(209) 827-0555	Rajwant R Abedi
14080 Blossom Hill Road	Los Gatos	CA	95032	(408) 212-7800	Ravinder S. Sooch, Hardeep Dhaliwal, Yadwinder Sra
1460 E Yosemite Ave	Madera	CA	93638	(559) 674-4487	Johnny Babasi and Fabiola Babasi
2180 West Cleveland Ave	Madera	CA	93637	(559) 664-9990	Johnny Babasi
1120 N Main Street	Manteca	CA	95336	(209) 823-1166	Jeff & Tevani Liotard

266 Reservation Road	Marina	CA	93933	(831) 883-2242	Mike Berenji and Terri Berenji
1160 E Arnold Drive, Suite E	Martinez	CA	94553	(925) 229-9090	Mandeep Saini & Hardeep Singh
606 J Street	Marysville	CA	95901	(530) 743-9991	Yvette Prindle
16810 Placer Hills Road	Meadow Vista	CA	95722	(530) 878-1865	Gucharan & Depinder Atwal
2640 E Barnett Road	Medford	OR	97504	(541) 779-4599	James Smith
1950 Yosemite Parkway	Merced	CA	95340	(209) 349-8549	Tariq Abedi and Aurif Abedi
1348 West Olive Ave	Merced	CA	95340	(209) 723-2142	Rajwant R. Abedi
85 N Milpitas Blvd	Milpitas	CA	95035	(408) 946-9401	Gurpreet Singh Buttar and Simratpal Kaur Buttar
2720 McHenry Ave	Modesto	CA	95350	(209) 521-4403	Maddox Resources Inc
3601 Pelandale Ave	Modesto	CA	95356	(209) 497-6799	Maddox Resources Inc.
2101 Stanford Ave, Suite A	Modesto	CA	95350	(209) 544-2323	Maddox Resources Inc
3801 Yosemite Blvd	Modesto	CA	95357	(209) 526-9000	Steve Wikoff
1221 E Orangeburg Ave	Modesto	CA	95350	(209) 529-1555	Maddox Resources Inc.
901 N Carpenter Ave, Suite 40	Modesto	CA	95351	(209) 529-0500	Maddox Resources Inc.
3020 Floyd Ave, Suite 301	Modesto	CA	95350	(209) 551-1776	Maddox Resources Inc.
504 Center Street	Moraga	CA	94556	(925) 377-6453	Sawinderjit Singh "SJ"
25970 Iris Ave, Suite B1	Moreno Valley	CA	92551	(951) 455-3900	Ravinder Basati
201 Tennant Station Road	Morgan Hill	CA	95037	(408) 779-6900	Amir Hossein Naserabadi
1724 Miramonte	Mountain View	CA	94040	(650) 988-9090	Ravinder S Sooch and Hardeep Dhaliwal
2069 Arena Blvd, Suite 100	Sacramento	CA	95834	(916) 419-4434	Shyam Gadhia (Natomas)
5333 Thornton Ave	Newark	CA	94560	(510) 494-8177	Gurdeep and Gurpreet Bhandal
6745-J Watt Avenue	North Highlands	CA	95660	(916) 331-8077	Harnek Athwal
1561 S Novato Blvd	Novato	CA	94947	(415) 898-8800	Bhupinder Singh, Manjinder Aujla, Gurcharan Singh
111 S Maag Ave	Oakdale	CA	95361	(209) 847-4701	Maddox Resources Inc
1830 Webster Street	Oakland	CA	94612	(510) 268-8226	Ashwant Singh & Navjot Singh
4870 Telegraph Ave	Oakland	CA	94609	(510) 428-1000	Ashwant Singh & Navjot Singh
2042 Mountain Blvd, Suite 109	Oakland	CA	94611	(510) 735-9555	Prabhjot Nijjar and Gurkirat Nijjar
1448-A High St, Suite A	Oakland	CA	94601	(510) 436-7988	Rajwinder Singh Bhandaal
2091 Main Street	Oakley	CA	94561	(925) 625-0770	Mohammad Naim Zalmaiyar
455 College Blvd, Suite 10	Oceanside	CA	92057	(760) 295-3121	Gurjeet Mann, Gurpreet Bhullar & Kulvir Bhullar
8801-A Greenback Lane	Orangevale	CA	95662	(916) 989-6677	Sonny & Ronnie Brar
1901 Oro Dam Road East	Oroville	CA	95965	(530) 533-9660	Steve & Lisa Himmelspach
1116 Forest Ave, Suite B	Pacific Grove	CA	93950	(831) 642-6000	Kamaljit Singh and Kanwalbir Kaur
3918 B Middlefield Road	Palo Alto	CA	94303	(650) 856-7855	Harleen Kaur Bhatia & Inderjit Singh Randhawa
1015 Sperry Ave, Suite H	Patterson	CA	95363	(209) 892-8400	Palmira Reynoso and Jose Reynoso
919 Lakeville St	Petaluma	CA	94952	(707) 769-8989	Bhupinder Singh and Manjinder Aujla
1516 Fitzgerald Dr.	Pinole	CA	94564	(510) 223-1900	Mandy, Harry & Raman
378 Altantic Ave	Pittsburg	CA	94565	(925) 427-4700	Mandeep & Sumeet Saini
30 Golf Club Dr , Suite A	Pleasant Hill	Ca	94523	(925) 826-5101	Balbir Mann
1962 Contra Costa Blvd	Pleasant Hill	CA	94523	(925) 363-3494	Mandeep & Sumeet Saini
3120-H Santa Rita Road	Pleasanton	CA	94566	(925) 485-4242	Surinder Khahira (Paul)
5424 Sunol Blvd., Suite 8	Pleasanton	CA	94566	(925) 846-3222	Gurpal S Dhinsa

17597 Vierra Canyon Road	Prunedale	CA	93907	(831) 663-5000	Ravinder S. Basati and Amninder Cheema
10419 Folsom Blvd.	Rancho Cordova	CA	95670	(916) 363-0393	Karamdeep Kaur Grewal
7319 Milliken Ave	Rancho Cucamonga	CA	91730	(909) 466-8011	Jagdeep Sekhon
3380 S McCarran	Reno	NV	89502	(775) 823-0000	Ritu Khera
1601 Vasser Street	Reno	NV	89502	(775) 323-6060	Kamwal Singh Khera, Makkhan Singh Rakkar, Rakesh M. Kumar
1201 West Main Street	Ripon	CA	95366	(209) 599-3345	Jeff and Tevani Liotard
6333 Oakdale Road	Riverbank	CA	95367	(209) 869-6200	Maddox Resources Inc
5505 Whitney Blvd , Suite 2F	Rocklin	CA	95677	(916) 625-0777	Surinder Singh Sajjan
1451 Southwest Blvd, Suite 117	Rohnert Park	CA	94928	(707) 795-4433	Fazal Khan
6314 Commerce Blvd	Rohnert Park	CA	94928	(707) 303-7474	Yadvinder Singh and Amarpreet Kaur
3989 Foothill Blvd, Suite 170	Roseville	CA	95747	(916) 782-7575	Gurcharan and Depinder Atwal
1850 Douglas Blvd, Suite 514	Roseville	CA	95661	(916) 787-4300	Dave & Teri Laursen
990 Pleasant Grove Blvd Suite 110	Roseville	CA	95678	(916) 780-6453	Amandeep & Gurbrinder Sandhu
5640 Auburn Blvd	Sacramento	CA	95841	(916) 331-1150	Ranjit & Sukhwinder Kahlon
3609 Bradshaw Road, Suite L	Sacramento	CA	95827	(916) 366-3609	Bill & Kulwinder Dulku
1319 Fulton Avenue	Sacramento	CA	95825	(916) 485-8314	Balwant Singh Handa
2610 Gateway Oaks Dr #150	Sacramento	CA	95833	(916) 649-8000	Jasmeet Hundal & Gurinder Ghuman
7808 Gerber Road	Sacramento	CA	95828	(916) 688-3737	Sukhdeep S. Sahota & Karenvir K Gill
7660 La Riviera Drive	Sacramento	CA	95826	(916) 383-8300	Bhupindar Pannu
4623 Mack Road	Sacramento	CA	95823	(916) 392-6445	Rashpal and Mandeep Singh
7465 Rush River Drv #100	Sacramento	CA	95831	(916) 970-5360	Simar Jit Kaur & Manjot Thind
1900 S Street	Sacramento	CA	95811	(916) 399-4580	Manpreet Bhatia
315 E. Alisal Street	Salinas	CA	93901	(831) 424-5568	Abbie Mehrabi
1020 N. Davis Road	Salinas	CA	93901	(831) 757-0444	Hyun Tae Kim
1670 North Main Street	Salinas	CA	93906	(831) 449-9000	Hyun Tae Kim and Jiyoung Shin
1580 Constitution Blvd	Salinas	CA	93905	(831) 449-1200	Ravinder S Basati and Amninder Cheema
774 El Camino Real	San Carlos	CA	94070	(650) 366-9090	Janet Moscini
7377 Jackson Drive	San Diego	CA	92119	(619) 469-6453	Cruz and Sharon Franco
3089 Clairemont Drive, Suite E	San Diego	CA	92117	(619) 275-6453	Samuel Golding
2938 Aborn Square Road	San Jose	CA	95121	(408) 300-0554	Harwinder Singh
2908 Alum Rock Road	San Jose	CA	95127	(408) 251-4000	Harwinder Singh
431 Blossom Hill Road	San Jose	CA	95123	(408) 629-3232	Surinderpal Singh Bains
1532 Branham Lane	San Jose	CA	95118	(408) 723-3701	Ramsin Bitmansour and Emil Abbasi
4116 Monterey Rd	San Jose	CA	95111	(408) 622-4755	Gurmeet Singh and Amarjeet Kaur
1170 N Capitol Ave	San Jose	CA	95132	(408) 926-7133	Harwinder Singh
2011 Naglee Ave	San Jose	CA	95128	(408) 280-5070	Harwinder Singh and Mohammad Afzal
6191 Santa Teresa Blvd	San Jose	CA	95123	(408) 226-5885	Gurvinder Singh and Sanjeev Malik
2306 Almaden Road, Suite 170	San Jose	CA	95125	(408) 979-0900	Amirhossein Sadatnaserabati
699 Lewelling Blvd , #164	San Leandro	CA	94576	(510) 351-1100	Prabhjot Nijjar and Pargat Singh
302 Davis St.	San Leandro	CA	94577	(510) 614-8696	Navdeep Grewall, Kuldip S Sandhu, Bhimsen Khadka
2150 Marina Blvd.	San Leandro	CA	94577	(510) 352-5954	Ashwant Singh
3340-L San Pablo Dam Road	San Pablo	CA	94806	(510) 262-9000	Karanveer Bhatia and Harpreet Bhatia

2100 4th Street	San Rafael	CA	94901	(415) 454-4300	John Girard
2205 San Ramon Valley Blvd Suite A	San Ramon	CA	94583	(925) 314-9600	Asmeet & Jatinder Singh
2637 Jensen Ave	Sanger	CA	93657	(559) 875-9000	Tariq Abedi and Kulwinder Tamber
1290 Franklin Mall	Santa Clara	CA	95050	(408) 246-3900	Kamalit Singh Khangura, Ramandeep Kaur Khangura, and Charanpreet Singh
3715 Portola Drive	Santa Cruz	CA	95062	(831) 477-7760	Diana Benyamin
4501 Montgomery Dr	Santa Rosa	CA	95409	(707) 890-5033	Bhupinder Singh, Jatinder Singh and Pardeep Singh
2280 Santa Rosa Ave	Santa Rosa	CA	95470	(707) 544-2828	Gurcharan Singh, Kulwant Kaur and Bhupinder Singh
12850 Saratoga - Sunnyvale Rd	Saratoga	CA	95070	(408) 741-8400	Emil Abbasi and Ramsin Bitmansour
6006 La Madrona Drive, Unit C	Scotts Valley	CA	95060	(831) 438-7400	Kian Vossough
880 Broadway Ave	Seaside	CA	93955	(831) 899-7900	Ravinder S Basati and Amninder Cheema
1049 Mono Way	Sonora	CA	95370	(209) 532-1235	Perry Keyes and Camaron Keyes
3785 W 10400 S, Suite 101-103	South Jordan	UT	84095	(801) 878-1551	Justin Holbrook and Chris Holbrook
1000 Robinhood Drive	Stockton	CA	95207	(209) 474-7470	Ranjit Singh Gill
4339 Morada Lane, Suite 100	Stockton	CA	95212	(209) 952-4141	Gurdip Singh (Jimmy)
2828 Country Club Blvd # 3	Stockton	CA	95204	(209) 645-4040	Kamaljit Singh & Ravinder Pal Singh
678 N Wilson Way, Suite 18	Stockton	CA	95210	209-941-2256	Kamaljit Singh & Ravinder Pal Singh
3526 Manthey Rd #B	Stockton	CA	95206	(209) 983-1853	Surinder Singh Khahira
173 Sunset Avenue	Suisun City	CA	94585	(707) 399-9895	Balbir Singh Mann and Gurjeet Singh Mann
2260 Grant Line Road #104	Tracy	CA	95377	(209) 836-8900	Gurdip Singh
870 W. Schulte Road	Tracy	CA	95376	(209) 836-4141	Davinder Singh
721 East Prosperity Ave	Tulare	CA	93274	(559) 688-8800	Inderjeet K Dhillon
2410 Geer Road	Turlock	CA	95382	(209) 632-6400	Steve Wikoff
1090 S State St	Ukiah	CA	95482	(707) 621-9292	Pardeep Singh, Sukhwinder Singh, Baljinder Singh Beasla, Iqbaldip Singh Beasla,
34533 Alvaredo Niles Rd	Union City	CA	94587	(510) 475-1475	Richard Hu
32170 Dyer Street	Union City	CA	94587	(510) 471-7171	Richard Hu
1971 Alamo Drive	Vacaville	CA	95687	(707) 448-4007	Angrej Singh Malhi and Pardeep Kaur Malhi
401 E Monte Vista Ave	Vacaville	CA	94582	(707) 447-0123	Mandeep Saini and Gurjeet Singh
645 Elmira Road	Vacaville	CA	95687	(707) 451-9854	Angrej Singh Malhi and Pardeep Kaur Malhi
4380 Sonoma Blvd	Vallejo	CA	94589	707 980.6696	Gurmukh Singh
972 Admiral Callaghan Lane	Vallejo	CA	94591	(707) 515-6930	Amarjit Singh Tamber
5103 W Walnut Ave	Visalia	CA	93277	(559) 733-5600	Inderjeet K. Dhillon
3000 N Dinuba Blvd, Suite F	Visalia	CA	93291	(559) 739-2800	Ken Turner
2919 West Capitol Avenue	West Sacramento	CA	95691	(916) 372-8984	Narajan Singh and Kashmir Singh
1817 Ygnacio Valley Road	Walnut Creek	CA	94598	(925) 937-4411	Mahmood Amir Nazmehr
12178 Yosemite Blvd	Waterford	CA	95386	(209) 874-5200	Perry Keyes and Camaron Keyes
1417 Freedom Blvd	Watsonville	CA	95076	(831) 728-0411	Diana Benyamin
6580 Hembree Lane	Windsor	CA	95492	(707) 836-1700	Amanjit Singh Mutti and Gupreet Singh
1540 Butte House Road, Suite 800	Yuba City	CA	95993	(530) 751-2525	Jasveer Sohal, Bahader Sohal, Baljit Sohal

FA Signed Not Open 12/31/2018

Restaurant Address	City	State	Zip	Phone #	Owner
724 Abrego Street	Monterey	CA	93940	510-604-0781	Kamal Dhaliwal
1698 Story Road	San Jose	CA	95122	925-642-9501	Asmeet Singh
2001-2111 Siolano Ave	Vallejo	CA	94590	707-815-9916	Gurmukh Singh

EXHIBIT H

BANK ACCOUNT DEBIT AUTHORIZATION

MOUNTAIN MIKE'S PIZZA, LLC

"Franchisor of Mountain Mike's Pizza Restaurants"

Automatic Debit of Weekly Franchise Royalty and Marketing Fund Contribution by Franchisor

Franchisee Name: _____

Franchise Location: _____

_____

_____

I (we), franchisee of the above-referenced Mountain Mike's Pizza restaurant, authorize Mountain Mike's Pizza, LLC (hereinafter the "Franchisor") to debit on every Wednesday from franchisee's bank account, or as otherwise specified in the Franchise Agreement, the amount of Royalty and Marketing Fund contributions due to the Franchisor based on Gross Sales of the above-referenced Mountain Mike's Pizza restaurant for each and every preceding week beginning on Monday and ending on Sunday in accordance with the provisions of the Franchise Agreement executed between the Franchisor and franchisee.

Franchisee's Bank

Account Name: _____

Account Number: _____

ABA Routing Number: _____

Bank Name: _____

Branch Address: _____

_____

_____

_____

Comment/Reference:

_____

_____

_____
Signature

_____
Signature

EXHIBIT I

LIST OF FRANCHISEES WHO LEFT SYSTEM

List of Franchisee who left the system between 1/1/18 and 12/31/18			
Former Owner	**City**	**State**	**Phone #**
Robert Dickert	Paradise	CA	(530) 521-2884

List of Franchise Transfers 1/1/18 and 12/31/18			
Former Owner	**City**	**State**	**Phone #**
Arun Singh (PRSA Inc.)	San Jose	CA	(408) 439-8903
Surinder Khahira (MMP296 Inc.)	Tracy	CA	(510) 676-6940
Pardeep Singh and Jatinder Singh*	Santa Rosa	CA	(925) 695-5086
Navdeep Grewal, Kuldip Sandhu, Bhimsen Khadka	Pleasaton	CA	(510) 407-5650
Prabhjot Randhawa and Manjot Gill	Dublin	CA	(209) 815-3842
Harwinder Singh and Parminder Singh	Hayward	CA	(510) 931-0091
Harjot Dhillon and Ravneet Dhillon	Tracy	CA	(510) 585-7552
Kamaljit Kaur Sangha and Hardeep Sangha	Yuba City	CA	(530) 682-2815
Gurpal Singh Sidhu and Gurtejpal Singh Sidhu	Folsom	CA	(916) 761-9987
Henry & Gabriel Monge	Glendora	CA	(626) 857-0690

EXHIBIT J

RENEWAL RIDER TO FRANCHISE AGREEMENT

RENEWAL RIDER
TO MOUNTAIN MIKE'S PIZZA, LLC
FRANCHISE AGREEMENT

THIS RENEWAL RIDER TO FRANCHISE AGREEMENT (this "Rider") is made and entered by and between **MOUNTAIN MIKE'S PIZZA, LLC**, a Delaware limited liability company with its principal business address at 24 Corporate Plaza, Suite 100, Newport Beach, CA 92660 ("we," "us," or "our"), and _____, whose principal business address is _____ ("you" or "your"). This Rider will be deemed effective as of _____ (the "Effective Date").

1. **Preambles and Acknowledgments**. Simultaneously with signing this Rider, we and you are signing a Franchise Agreement (the "Renewal Franchise Agreement") to govern your continued operation of the RESTAURANT at the Premises. (All initial capitalized terms used but not defined in this Rider have the meanings given to them in the Renewal Franchise Agreement). We and you acknowledge that the Renewal Franchise Agreement is the successor to the Franchise Agreement between you and us dated as of _____, ____ (the "Expiring Franchise Agreement"), under which you operated the RESTAURANT at the Premises during the initial franchise term until the Effective Date. We and you are signing this Rider to modify certain provisions of the Renewal Franchise Agreement to reflect that the Renewal Franchise Agreement is a successor to the Expiring Franchise Agreement, and intended to govern our and your relationship during the successor franchise term, and that certain provisions of the Renewal Franchise Agreement do not apply to your operation of the RESTAURANT during its term.

2. **Expiration of Expiring Franchise Agreement**. The term of the Expiring Franchise Agreement is deemed to have expired as of the Effective Date. You will have no further rights under the Expiring Franchise Agreement following the Effective Date.

3. **Term of the Franchise**. The second sentence of Subsection 1.D. of the Renewal Franchise Agreement is deleted and replaced with the following:

> Subject to this Agreement's terms, we hereby grant you a franchise (the "Franchise") to operate a Mountain Mike's Pizza Restaurant (the "RESTAURANT") at the Premises, and to use the System in its operation, for a term commencing on the Effective Date and expiring ten (10) years from that date, unless sooner terminated in accordance with Section 14 hereof.

4. **Site Selection**. Subsection 2.A. of the Renewal Franchise Agreement is deleted.

5. **Lease of Premises**. You acknowledge that you have delivered to us a complete and accurate copy of the currently effective Lease. If the Lease is proposed to be amended, renewed, or extended at any time during the Renewal Franchise Agreement's term, you must obtain our prior written acceptance of, and otherwise comply with Subsection 2.B. of the Renewal Franchise Agreement with respect to, the amended, renewed, or extended Lease.

6. **Restaurant Development**. Subsection 2.C. of the Renewal Franchise Agreement is deleted. However, you agree to make the upgrades, modifications, and improvements to the RESTAURANT, Premises, and Operating Assets specified on the attached "Upgrade Schedule." You agree to complete each task listed on the Upgrade Schedule to our satisfaction, and in accordance with the Renewal Franchise Agreement (including, without limitation, provisions relating to designated, recommended, or approved suppliers), before the applicable due date. Your failure to do so will be a breach of the conditions for renewal contained in the Expiring Franchise Agreement and a breach of the Renewal Franchise Agreement, allowing us to terminate the Renewal Franchise Agreement. The term "Operating Assets" remains defined as all required fixtures, furniture, equipment (including a computer, telecopier, and point-of-sale information system), furnishings and signs. The term "Supplies" remains defined as authorized and approved products, materials and supplies.

7. **Restaurant Opening**. Subsection 2.F. of the Renewal Franchise Agreement is deleted.

8. **Grand Opening Marketing Program**. Subsection 2.G. of the Renewal Franchise Agreement is deleted.

9. **Initial Franchise Fee**. Subsection 3.A. of the Renewal Franchise Agreement is deleted. However, you must pay us the renewal fee specified in the Expiring Franchise Agreement.

10. **Royalty**. The second sentence of Subsection 3.B. of the Renewal Franchise Agreement is deleted and replaced with the following:

> You must sign and deliver to us the documents we require to authorize us to debit your business checking account automatically for the Royalty and other amounts due under this Agreement.

11. **Training**. The first two (2) paragraphs of Subsection 4.A. of the Renewal Franchise Agreement are deleted.

12. **Modification of System Standards**. The second sentence of Subsection 8.B. of the Renewal Franchise Agreement is deleted and replaced with the following:

> Except for changes in the Computer System (the amounts for and timing of which are not limited), and except as required as a condition of your renewal of your franchise under the Renewal Franchise Agreement (see Paragraph 6 of this Rider above), we will not obligate you to make any Capital Modifications during the first three (3) years of the term of this Agreement or after that time when the investment cannot in our reasonable judgment be amortized during the remaining term of this Agreement, unless we agree to extend the term of this Agreement so that the additional investment, in our reasonable judgment, may be amortized, or unless the investment is necessary in order to comply with applicable laws.

13. **Successor Franchise**. Section 13 of the Renewal Franchise Agreement is deleted. You have no right to acquire, and we have no obligation to grant, another successor franchise when the Renewal Franchise Agreement expires. When the Renewal Franchise Agreement expires, you must cease operating the Restaurant.

14. **Termination**. Subsections 14.B.(2) and (3) of the Renewal Franchise Agreement are deleted.

15. **Release**. As consideration for our granting you the rights under the Renewal Franchise Agreement, you and your affiliates, on behalf of yourselves and your and their respective successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, shareholders, members, directors, officers, principals, and employees (collectively, the "Releasing Parties"), hereby forever release and discharge us and our affiliates, and our and their respective current and former officers, directors, owners, principals, employees, agents, representatives, successors, and assigns (collectively, the "Released Parties"), from any and all claims, damages, demands, causes of action, suits, duties, and liabilities of any nature and kind, whether known or unknown, vested or contingent (for purposes of this Paragraph 15, collectively, "Claims"), that you and any of the other Releasing Parties now have, ever had, or, but for this Paragraph 15, hereafter would or could have against any of the Released Parties (a) arising from or related to the Released Parties' performance of or failure to perform obligations under the Expiring Franchise Agreement, or (b) otherwise arising from or related in any way to your and the other Releasing Parties' relationship, from the beginning of time to the Effective Date, with any of the Released Parties, excepting only any Claims arising exclusively from or related exclusively to the grant of the franchise under the Renewal Franchise Agreement.

You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Released Parties on any of the Claims released by this Paragraph and represent that you have not assigned any such Claims to any individual or entity who is not bound by this Paragraph.

Each of the parties acknowledges a familiarity with Section 1542 of the Civil Code of the State of California, which provides as follows:

> *"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which, if known by him, must have materially affected the settlement with the debtor."*

Each of the parties hereto recognizes that he, she, or it may have some claim, demand, or cause of action against the other parties of which he, she, or it is unaware and unsuspecting, and which he, she, or it is giving up by signing this Rider. Each of the parties hereby waives and relinquishes every right or benefit which he, she, or it has under Section 1542 of the Civil Code of the State of California, and any similar statute under any other state or federal law, to the fullest extent that such right or benefit may lawfully be waived.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

MOUNTAIN MIKE'S PIZZA, LLC, a Delaware limited liability company

By:_____

Title:_____

DATED:_____

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Name]

By:_____

Title:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

UPGRADE SCHEDULE

TASKS TO BE COMPLETED	DUE DATE

[Attach additional pages if necessary]

MOUNTAIN MIKE'S PIZZA, LLC, a Delaware limited liability company

By:_____

Title:_____

DATED:_____

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Name]

By:_____

Title:_____

DATED:_____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

EXHIBIT K

FRANCHISEE REPRESENTATIONS

MOUNTAIN MIKE'S PIZZA, LLC
FRANCHISEE REPRESENTATIONS

Important Instructions: Read this document carefully and do not sign it if it contains anything you think might be untrue. If you sign this document, you are confirming that what it says is true. In addition, if you sign it, we will take actions in reliance on the truth of what it says.

The following franchisee — _____ (the "Franchisee") — is interested in acquiring a franchise for a MOUNTAIN MIKE'S® Restaurant to be operated at a specific location identified in the Franchise Agreement (the "Restaurant"). Each of the undersigned represents that all of the following statements are true:

1. Each of the undersigned has conducted its, his, or her own independent investigation of Mountain Mike's Pizza, LLC ("we," "us," or "our"), the MOUNTAIN MIKE'S® system, the risks, burdens, and nature of the business Franchisee will conduct under the Franchise Agreement, the Restaurant's site, and the Franchisee's proposed exclusive territory under the Franchise Agreement.

**Insert initials into the following blank to confirm this statement:* ___

2. Each of the undersigned understands that the business Franchisee will conduct under the Franchise Agreement involves risks and that success or failure will be substantially influenced by the Franchisee's abilities and efforts.

**Insert initials into the following blank to confirm this statement:* ___

3. Each of the undersigned understands that we previously might have entered into franchise agreements with provisions differing from those appearing in the Franchise Agreement for the Restaurant and, in the future, may enter into franchise agreements with provisions differing from those appearing in the Franchise Agreement for the Restaurant.

**Insert initials into the following blank to confirm this statement:* ___

4. Franchisee has received executable copies of the Franchise Agreement and all related documents and has had ample opportunity to consult with its, his, or her attorneys, accountants, and other advisors concerning those documents. If we unilaterally made any material changes in the Franchisee's final, ready-to-be-signed copies of the Franchise Agreement and related documents, **other than as a result of negotiations started by the Franchisee**, the Franchisee has had copies of those documents in-hand for at least seven (7) calendar days before signing them.

**Insert initials into the following blank to confirm this statement:* ___

5. Franchisee has received a Franchise Disclosure Document ("FDD") as required by law at least fourteen (14) calendar days before signing the Franchise Agreement or any other binding agreement, and at least 14 calendar days before paying any consideration to us or our affiliate in connection with this franchise, and has had ample opportunity to consult with its, his, or her attorneys, accountants, and other advisors.

**Insert initials into the following blank to confirm this statement:* ___

6. Except as provided in our FDD (if we make a financial performance representation in Item 19 of the FDD), we have made no representation, warranty, promise, guaranty, prediction, projection, or other statement, and given no information, as to the future, past, likely, or possible income, sales volume, or profitability, expected or otherwise, of the Restaurant or any other Restaurant, except: (None, unless something is filled-in here) _____
_____
_____.

**Insert initials into the following blank to confirm this statement:* ___

7. Each of the undersigned understands that:

7.1 Except as provided in our FDD (if we make a financial performance representation in Item 19 of the FDD), we do not authorize our officers, directors, or employees to furnish any oral or written representation, warranty, promise, guaranty, prediction, projection, or other statement or information concerning actual or potential income, sales volume, or profitability, either generally or of any MOUNTAIN MIKE'S® Restaurant.

7.2 Actual results vary from unit to unit and from time period to time period, and we cannot estimate, project, or predict the results of any particular MOUNTAIN MIKE'S® Restaurant.

7.3 We have specifically instructed our officers, directors, and employees that, except as provided in our FDD (if we make a financial performance representation in Item 19 of the FDD), they are not permitted to make any representation, warranty, promise, guaranty, prediction, projection, or other statement or give other information as to income, sales volume, or profitability, either generally or with respect to any particular MOUNTAIN MIKE'S® Restaurant.

7.4 If any unauthorized representation, warranty, promise, guaranty, prediction, projection, or other statement or information is made or given, the undersigned should not (and will not) rely on it and should report it to our management.

**Insert initials into the following blank to confirm these statements:* ___

8. Before signing the Franchise Agreement and any related agreements, the undersigned Franchisee has had ample opportunity: (A) to discuss the Franchise Agreement, any

related agreement, and the business Franchisee will conduct with its, his, or her own attorneys, accountants, and real estate and other advisors; (B) to contact our existing franchisees; and (C) to investigate all statements and information made or given by us and our officers, directors, employees, and agents relating to the franchise system, the Restaurant, and any other subject.

**Insert initials into the following blank to confirm this statement:* ___

9. Each of the undersigned understands that the Franchise Agreement grants rights for one, and only one, Restaurant, operated only at the location now specified in the Franchise Agreement, and that, except as provided in the Franchise Agreement, no "exclusive," "expansion," "protected," "non-encroachable," or other territorial rights, rights of first refusal, or rights of any other kind are granted or have been promised concerning the contiguous or any other market area of the Restaurant or any other existing or potential MOUNTAIN MIKE'S® Restaurant or geographic territory.

**Insert initials into the following blank to confirm this statement:* ___

10. Each of the undersigned understands that the Franchise Agreement (including any riders and exhibits) constitutes the entire agreement between the parties with respect to the franchise rights for the MOUNTAIN MIKE'S® Restaurant and supersedes all prior and other contemporaneous oral or written agreements, statements, representations, or understandings of us, the undersigned, and the Franchisee with respect to the MOUNTAIN MIKE'S® Restaurant, except representations made by the undersigned in this document and by us in the FDD (although Franchise Agreement provisions described in the FDD may be modified by us and you upon mutual agreement in the final version of the Franchise Agreement signed by you and us).

**Insert initials into the following blank to confirm this statement:* ___

11. Each of the undersigned understands that, except for representations made by us in the FDD (although Agreement provisions described in the FDD may be modified by us and you upon mutual agreement in the final version of the Agreement signed by you and us), nothing stated or promised by us that is not specifically set forth in the Franchise Agreement can be relied upon by the undersigned or the Franchisee.

**Insert initials into the following blank to confirm this statement:* ___

12. The only state(s) in which each of the undersigned is a resident is (are):

_____.

**Insert initials into the following blank to confirm this statement:* ___

13. Each of the undersigned understands the importance of the Restaurant's location. The undersigned and the Franchisee have had ample opportunity and the means to investigate, review, and analyze independently the Restaurant's location, the building in which it is contained, the market area and all other facts relevant to the selection of a site for a MOUNTAIN MIKE'S® Restaurant location, and the lease documents for each location.

**Insert initials into the following blank to confirm this statement:* ___

14. Each of the undersigned understands that neither our acceptance of any location nor our review or acceptance of any lease implies or constitutes any warranty, representation, guarantee, prediction, or projection that the location will be profitable or successful or that the lease is on favorable terms, its often being the case that leases are available only on very tough terms.

**Insert initials into the following blank to confirm this statement:* ___

15. Each of the undersigned understands that site selection is a difficult and risky proposition. We have not given (and will not give) any representation, warranty, promise, guaranty, prediction, projection, or other statement or information relied upon by the undersigned or Franchisee regarding a location's prospects for success, nearby tenants, other attributes, or the form or contents of any lease. Franchisee will have any lease reviewed by its, his, or her own attorney and other advisors.

**Insert initials into the following blank to confirm this statement:* ___

16. The covenants and restrictions concerning competition contained in the Franchise Agreement are fair and reasonable and will not impose an undue hardship on the undersigned or the Franchisee. Each of them has other considerable skills, abilities, opportunities, and experience in other matters and of a general nature that enable each of them to derive income that is satisfactory to them from other endeavors.

**Insert initials into the following blank to confirm this statement:* ___

17. There is no fiduciary or confidential relationship between us and the undersigned or between us and the Franchisee. Each of the undersigned expects us to deal, and will act as if we are dealing, with it, him, or her at arm's length and in our own best interests.

**Insert initials into the following blank to confirm this statement:* ___

18. We have advised the undersigned and the Franchisee to consult with their own advisors on the legal, financial, and other aspects of the Franchise Agreement and all other documents signed concurrently with the Franchise Agreement, this document, the Restaurant, any lease or sublease for the Restaurant's location, and the business contemplated. Each of the undersigned has either consulted with such advisors or deliberately declined to do so.

**Insert initials into the following blank to confirm this statement:* ___

19. Neither we nor any employee has provided the undersigned or the Franchisee with services or advice that are of a legal, accounting, or other professional nature.

**Insert initials into the following blank to confirm this statement:* ___

20. The statements made in this document supplement and are cumulative to statements, warranties, and representations made in other documents, such as the Franchise Agreement. The statements made in this document or the Franchise Agreement are made separately and independently. They are not intended to be, and will not be, construed as modifying or limiting each other.

**Insert initials into the following blank to confirm this statement:* ___

21. Each of the undersigned understands that we may sell or transfer our assets, our trademarks, or the MOUNTAIN MIKE'S® System outright to a third party; go public; engage in a private placement of some or all of our securities; merge, acquire other corporations, or be acquired by another corporation; and/or undertake a refinancing, a recapitalization, a leveraged buy-out, or other economic or financial restructuring.

**Insert initials into the following blank to confirm this statement:* ___

22. The President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations, and the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). We therefore require certain certifications that the parties with whom we deal are not directly or indirectly involved in terrorism. For that reason, the undersigned and the Franchisee hereby certify that neither they nor any of their employees, agents, or representatives, nor any other person or entity associated with the Franchisee, is: (a) a person or entity listed in the Annex to the Executive Order; (b) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism; (c) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (d) owned or controlled by terrorists or sponsors of terrorism. The undersigned and the Franchisee further covenant that neither they nor any of their employees, agents, or representatives, nor any other person or entity associated with them, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

**Insert initials into the following blank to confirm this statement:* ___

23. Each of the undersigned understands that, in the franchise relationship, we and Franchisee will be independent contractors. Nothing is intended to make either Franchisee or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. We will not exercise direct or indirect control over the Restaurant's personnel except to the extent any indirect control is related to our legitimate interest in protecting the quality of products, service, or the MOUNTAIN MIKE'S® brand. We will not share or codetermine the employment terms and conditions of the Restaurant's employees or affect matters relating to the employment relationship between Franchisee and the Restaurant's employees, such as employee selection, training, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. We will not be the employer or joint employer of the Restaurant's employees.

**Insert initials into the following blank to confirm this statement:* ___

_____	_____
(Signature)	(Signature)
_____	_____
(Name Printed)	(Name Printed)
_____	_____
(Date)	(Date)

EXHIBIT L

ADORA POINT-OF-SALE SYSTEM SERVICE (SAAS) AGREEMENT

Adora POS System Service (SaaS) Agreement

This Software as a Service (SaaS) Agreement ("**Agreement**") is effective as of 4/12/2018 **Effective Date**") and is made by and between Adora POS, LLC, a Nevada limited liability company ("**Licensor**"), and . dba Mountain Mike's Pizza, located at ("**Licensee**").

Whereas, Licensee is a franchisee of the Mountain Mike's Pizza franchised system and operates franchises at the following locations: ("**Franchise Locations**") pursuant to a Franchise Agreement with Mountain Mike's Pizza Incorporated ("**MMPI**"):

Whereas, Licensor wishes offers to Licensee Internet based access to and use of Licensor's Point of Sale Software platform described in Exhibit A (the "**Licensor Solution**") for use at the Franchise Locations;

WHEREAS, Licensee desires to access and use the Licensor Solution and Licensor desires to give Licensee such access to and use of the Licensor Solution, subject to the terms and conditions in this Agreement

NOW, THEREFORE, the parties hereby agree as follows:

1. ACCESS; ACTIVATION DATE. Subject to the terms and conditions of this Agreement, Licensor agrees to use commercially reasonable efforts to provide Licensee with access to the Licensor Solution via the Internet commencing on the Activation Date. The term "Activation Date" means the date set forth in Exhibit A on which the Licensor Solution is scheduled to be made available to Licensee via the Internet for commercial use.

2. LICENSE AND RESTRICTIONS.

2.1 License Grants. Subject to the terms and conditions of this Agreement and on condition that Licensee is in compliance with this Agreement, Licensor hereby grants to Licensee, during the term of this Agreement, a limited, non-exclusive, non-transferable (except in the event of the transfer of the franchise agreement with the franchisors approval) license, without the right to sublicense, to access and use the Licensor Solution and use Transaction Data (as defined below) stored therein via the Internet solely for use by Licensee for the point of sale transactions at the Franchise Location and Licensee's other internal purposes relating to the operation of such Franchise Location.

2.2 License Restrictions. Licensee shall not, directly or indirectly, and Licensee shall not permit any third party to, (i) reverse engineer, decompile, disassemble or otherwise attempt to discover the object code, source code or underlying ideas or algorithms of the Licensor Solution.; (ii) modify, translate, or create derivative works based on any element of the Licensor Solution or any related documentation; (iii) rent, lease, sell, resell, assign, or otherwise transfer its rights to use the Licensor Solution; (except in the event of the transfer of the franchise agreement with the franchisors approval) (iv) distribute the Licensor Solution; (v) use the Licensor Solution for timesharing or service bureau purposes or otherwise for the benefit of any person or entity other than for the benefit of Licensee; (vi) remove any proprietary notices from Licensor materials furnished or made available to Licensee, including without limitation the Licensor Solution; (vii) publish or disclose to third parties any evaluation of the Licensor Solution without Licensor's prior written consent; or (viii) use the Licensor Solution for any purpose other than its intended purpose and in connection with sales at the Franchise Locations.

3. PASSWORDS; SECURITY.

3.1 Passwords. Licensor will either issue to Licensee or authorize a Licensee administrator to create and issue to each authorized employee of Licensee ("**Authorized User**"), a user identification number and/or password for access to and use of the Licensor Solution. Licensee is responsible for maintaining the confidentiality of all user identification numbers and/or passwords and for ensuring that each user identification number and/or password is used only by the Authorized User to which it was issued. Licensee is solely responsible for any and all activities that occur under Licensee's account and all charges incurred from use of the Licensor Solution accessed with such user identification numbers and/or passwords. Licensee will restrict Authorized Users from sharing passwords. Licensee agrees to immediately notify Licensor of any unauthorized use of Licensee's account, any user identification number and/or password, or any other breach of security known to Licensee. Licensor shall have no liability for any loss or damage arising from Licensee's failure to comply with the terms set forth in this Section.

3.2 Transaction Data Defined. For purposes of this Agreement, the term "Transaction Data" means any and all sales, transaction, discount, promotional, customer and pricing information input into or generated by the Licensor Solution in connection with sales and other transactions at the Franchise Location. Licensee agrees that all right, title and interest in (i) the Transaction Data, (ii) other information input into the Licensor Solution by Licensee (collectively, "Other Information") and (iii) all intellectual property rights in each of the foregoing, belong to and are retained solely by MMPI. MMPI may access and use Transaction Data for any purposes relating to the Mountain Mike's Franchise system and in connection with the Franchise Agreement, including, but not limited to, the calculation of royalties and other payments thereunder. Licensee further agrees that Licensor shall have the perpetual, irrevocable worldwide right to collect, process, store and otherwise use the Transaction Data in connection with providing access to the Licensor Solution

and other services under this Agreement and for any other purposes in Licensor's sole discretion.

3.3 **Security.** Licensor will deploy reasonable security precautions intended to protect against unauthorized access to any Transaction Data stored by Licensor in connection with the operation of the Licensor Solution.

3.4 **No Circumvention of Security.** Licensee shall not circumvent or otherwise interfere with any user authentication or security of the Licensor Solution. Licensee will immediately notify Licensor of any breach, or attempted breach, of security known to Licensee.

3.5 **No Guaranty of Security.** Licensee acknowledges that, notwithstanding the security precautions deployed by Licensor, the use of, or connection to, the Internet provides the opportunity for unauthorized third parties to circumvent such precautions and illegally gain access to the Licensor Solution and Transaction Data. Licensor cannot and does not guaranty the privacy, security, integrity or authenticity of any information transmitted over or stored in any system connected to or accessible via the Internet or otherwise or that any such security precautions will be adequate or sufficient.

3.6 **Licensee Responsibility For Merchant Account Numbers and Daily Batch Processing.** Licensee is solely responsible for checking, assuring and maintaining the accuracy of any and all merchant account numbers and all daily batch processing of debit and credit cards. Licensee must check bank accounts for daily batch processing at a minimum of daily for the first week following POS System installation and a minimum of weekly thereafter. (Licensor recommends that Licensee verify and account for Credit and Debit card batch processing on a DAILY basis on an ongoing basis.) Licensor is not responsible for reimbursement of any funds that are not received by licensee because Merchant Account Numbers are incorrect or Daily Batch Processing is not being processed to the licensee's bank account for any reason. Assurance of correct processing to the licensee's bank account is the sole responsibility of the Licensee.

3.7 **Licensee Responsibility for Customer and Credit Card Charge Backs.** Licensee is solely responsible for all chargebacks to the business from any and all Credit and/or Debit card companies based on any and all customer transactions, disputes or complaints and/or any and all transaction process. Adora POS WILL NOT reimburse licensee under any circumstances for chargebacks occurring in the normal course of operating the business.

4. **SUPPORT.** Provided Licensee has paid the support fees set forth in Exhibit A, Licensor will provide to Licensee the following support services described in this Section for the Licensor Solution (collective, "Support"). Licensor will provide to Licensee any regular updates that correct errors or fix bugs in or provide minor feature enhancements to the Licensor Solution that Licensor makes generally available to other licensees ("Updates"). Updates shall be provided to Client at such time as the Updates are made commercially available by Licensor. In addition, Licensor will provide Licensee with the ability for Licensee's designated support person (the "**Designated Employee**") to access an online trouble ticket system to report problems or issues with the Licensor Solution. Only the Designated Employee may report such problems or issues. Licensor will use reasonable efforts to respond to and address problems and issues raised by Licensee's Designated Employee consistent with efforts used by Licensor for its other Licensees during normal business hours. In addition, Licensor will make available to the Designated Employee a telephone number where the Designated Employee may report problems and issues with the Licensor Solution or ask questions regarding the Licensor Solution, in each case, during Licensor's normal business hours.

5. **LICENSEE OBLIGATIONS.**

5.1 **Hardware/Software.** Licensee is responsible for (i) obtaining, deploying, supporting and maintaining all computer hardware, third party software, and communications equipment needed to access and use the Licensor Solution, including without limitation, installing at its own expense a STATIC DSL line at the Franchise Locations to connect to the Licensor Solution; (ii) removing at its own expense any existing POS System components hardware and wiring that are not compatible with the Licensor Solution; (iii) contracting with third parties that provide services related to Licensee being able to access and use the Licensor Solution (e.g., ISP, telecommunications, etc.); (iv) paying all third-party fees and access charges incurred while accessing and using the Licensor Solution; (v) leaving all router and POS hardware components turned on and operational 24 hours per day each day of the week; and (vi) requiring all vendors to send information generated by the Licensor Solution to Licensor and MMPI at all times.

5.2 **Operational Requirements.** Licensee agrees that it will use the Licensor Solution in a manner consistent with its obligations under the Franchisee Agreement with MMPI, including but not limited to, to offer products and services specified by MMPI at the Franchise Location and online (if permitted), to comply with MMPI's standards specifications and operating procedures, to participate in all on-line, in-store and advertised marketing programs and campaigns that MMPI establishes or approves, and to honor all offers, promotions, programs and coupons. Licensee expressly understands and agrees, however, that MMPI shall have no responsibility or liability to Licensee in connection with the provision or use of the Licensor Solution.

5.3 **Compliance with Laws.** Each party represents and warrants, during the term of this Agreement, that it is in compliance with and will comply with all applicable privacy and data protection laws and regulations applicable to its business and its performance of its obligations under this Agreement with respect to any Transaction Data uploaded or submitted to the Licensor Solution. Licensee acknowledges and accepts complete responsibility and liability for all Transaction Data. Licensee will indemnify, defend and hold harmless Licensor, its directors, officers, employees, agents, successors and assigns from any claims, actions, suits, liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees) arising out of or related to (i)

Licensee's breach of this Section, (ii) the provision of Transaction Data or Other Information to Licensor or (iii) the storage, processing or display of Transaction Data or Other Information by the Licensor Solution.

5.4 **Conduct.** Licensee shall be solely responsible for its actions and the actions of its users while using the Licensor Solution. Licensee acknowledges and agrees (i) that Licensee is responsible for selecting appropriate remediation for and resolving, any issues found on Licensee's network, hardware, third party software, or third party services relied on by Licensee to access and use the Licensor Solution (collectively, "Licensee Items"); and (ii) that Licensor and MMPI are not liable for, or responsible to, remediate any issues found regarding Licensee Items. Licensee agrees: (a) to abide by all local, state, national, and international laws and regulations applicable to Licensee's use of the Licensor Solution, including without limitation the provision and storage of Transaction Data; (b) not to send or store data on or to the Licensor Solution which violates the rights of any individual or entity established in any jurisdiction; (c) not to upload in any way any information or content that contain viruses, worms, Trojan Horses, corrupted files, or any other similar software or programs, harmful code or data that may damage the operation of the Licensor Solution or another's computer or mobile device; (d) not to use the Licensor Solution for illegal, fraudulent, unethical or inappropriate purposes; (e) not to interfere or disrupt networks connected to the Licensor Solution or interfere with other ability to access or use the Licensor Solution; (f) not to distribute, promote or transmit through the Licensor Solution any unlawful, harmful, obscene, pornographic or otherwise objectionable material of any kind or nature; (g) not to transmit or post any material that encourages conduct that could constitute a criminal offense or give rise to civil liability; (h) not to interfere with another licensee's use and enjoyment of the Licensor Solution or another person or entity's use and enjoyment of similar services; (i) not to use the Licensor Solution in any manner that impairs the Licensor Solution, including without limitation the servers and networks on which the Licensor Solution are provided; and (j) to comply with all regulations, policies and procedures of networks connected to the Licensor Solution and Licensor's service providers. Licensee acknowledges and agrees that Licensor neither endorses the contents of any Licensee communications, Transaction Data, or Other Information (as defined below) nor assumes any responsibility for any offensive material contained therein, any infringement of third party intellectual property rights arising therefrom or any crime facilitated thereby. Licensor may remove any violating content posted or stored using the Licensor Solution or transmitted through the Licensor Solution, without notice to Licensee. Notwithstanding the foregoing, Licensor does not and is not obligated to verify, authenticate, monitor or edit the Transaction Data or Other Information (as defined below) or any other information or data input into or stored in the Licensor Solution for completeness, integrity, quality, accuracy or otherwise. Licensee shall be responsible and liable for the completeness, integrity, quality and accuracy of Transaction Data and Other Information input into the Licensor Solution. Licensor does not guarantee or make any promises regarding the accuracy or completeness of the Transaction Data, Other Information or any such other data or information. Licensor reserves the right to amend, alter, or modify Licensee's conduct requirements as set forth in this Agreement at any time. Licensor may deliver notice of such updated requirements to Licensee via e-mail or through the portal. Licensee's continued access to and use of the Licensor Solution following issuance of such updated Licensee requirements shall constitute Licensee's acceptance thereof.

6. HARDWARE PURCHASES.

6.1 Licensee may purchase hardware and components from Licensor at the prices listed on Exhibit B of this Agreement. All orders are firm and non-cancelable and payable in advance (unless credit terms are agreed to by Licensor). All orders will be shipped FOB Licensor's warehouse and title and all risk of loss pass to Licensee upon delivery to the carrier or shipper. Licensee shall be responsible for all shipping costs to Licensee's Franchise Locations.

6.2 All such hardware and component purchased through Licensor is covered by the manufacturer's warranty only. LICENSOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED (EITHER IN FACT OR BY OPERATION OF LAW), WITH RESPECT TO THE HARDWARE AND COMPONENTS PURCHASED FROM LICENSOR. ALL SUCH WARRANTIES ARE HEREBY DISCLAIMED. LICENSOR EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. ANY INCONSISTENT REPRESENTATIONS OR WARRANTIES MADE BY ANY PERSON INCLUDING LICENSOR EMPLOYEES OR REPRESENTATIVES, SHALL BE DISREGARDED BY THE LICENSEE AND SHALL NOT BE BINDING UPON LICENSOR.

6.3 Licensee can also purchase hardware to access and use the Licensor Solution from any third-party manufacturer or hardware provider of Licensee's choosing, provide that such hardware must meet the specification requirements listed on Exhibit C of this Agreement for use with the Licensor Solution. Licensee is solely responsible for all costs associated with the purchase and installation of such third-party hardware and for the repair and maintenance of the same.

7. CUSTOM PROGRAMMING.

7.1 Licensee understands that the Licensor POS System is designed to meet specific purposes within the MMPI franchise system and will not be modified on a location-by-location basis to meet the desires of individual Licensees. LICENSOR WILL NOT provide custom programming based on the request of any individual licensee unless such request is deemed to be in the best interest of the system as a whole. LICENSOR WILL NOT PROVIDE ANY SPECIAL-PROGRAMMING REQUESTS FOR LICENSEE BECAUSE LICENSEE WOULD LIKE THE SYSTEM TO OPERATE DIFFERENTLY TO MEET ITS INDIVIDUAL NEEDS. _____ (Licensee initial).

8. FEES AND TAXES.

8.1 **Ongoing Fees.** Licensee agrees to pay the Ongoing fees and charges set forth in Exhibit A (collectively, "Fees") in accordance with the payment terms in Exhibit A. Unless otherwise set forth in Exhibit A, any subscription or ongoing fees will start on the actual Activation Date. All Ongoing Fees are quoted and payable in United States currency. Except as otherwise expressly provided in this Agreement, Ongoing Fees are non-refundable once paid. All Ongoing Fees may be adjusted one time per year

8.2 **ACH Payment.** Licensee hereby consents and authorizes Licensor to collect through the Automated Clearing House (ACH) banking process from Licensee's bank account all Fees that are owed under this Agreement to Licensor and to remit such payments to Licensor.

8.3 **Taxes.** The Fees are exclusive of all sales, use, value added and other taxes or duties and Licensee shall pay all such taxes (excluding taxes based on Licensor's net income).

8.4 **Late Payments.** Any payment not received from Licensee by the due date shall accrue (except with respect to charges then under reasonable and good faith dispute), at the lower of one and a half percent (1.5%) of the outstanding balance per month (being 18% per annum), or the maximum rate permitted by law, from the date such payment is due until the date paid. Licensee shall also pay all sums expended (including reasonable legal fees) in collecting overdue payments.

9. OWNERSHIP.

9.1 **Licensor Solution.** As between Licensor and Licensee, all right, title and interest in the Licensor Solution, and any other Licensor materials furnished or made available hereunder, and all modifications and enhancements thereof, and all suggestions, ideas and feedback proposed by Licensee regarding the Licensor Solution, including all copyright rights, patent rights and other intellectual property rights in each of the foregoing, belong to and are retained solely by Licensor or Licensor's licensors and providers, as applicable. Licensee hereby does and will irrevocably assign to Licensor all ideas, feedback and suggestions made by Licensee to Licensor regarding the Licensor Solution (collectively, "Feedback") and all intellectual property rights in the Feedback. Licensee agrees to execute any documents or take any actions as may reasonably be necessary, or as Licensor may reasonably request, to perfect such ownership of the Feedback. To the extent any of the rights, title and interest in and to Feedback or intellectual property rights therein cannot be assigned by Licensee to Licensor, Licensee hereby grants to Licensor an exclusive, royalty-free, transferable, irrevocable, worldwide, fully paid-up license (with rights to sublicense through multiple tiers of sub licensees) to fully use, practice and exploit those non-assignable rights, title and interest. Except for the express licenses granted in Section 2.1 (License Grant), there are no other licenses granted to Licensee, express, implied or by way of estoppel. All rights not granted in this Agreement are reserved by Licensor.

10. TERM AND TERMINATION.

10.1 **Term; Renewal.** This Agreement commences on the Effective Date and this Agreement shall continue for the initial term set forth on Exhibit A. Thereafter, this Agreement will automatically renew for additional one year (1) year terms. Either party may terminate this Agreement effective at the end of the initial term or any renewal term by providing the other party at least three (3) months prior written notice.

10.2 **Termination Upon Termination of Franchise Agreement.** This Agreement and all access to the Licensor Solution shall terminate and cease as of the effective date of termination of the Franchise Agreement.

10.3 **Termination for Breach; Insolvency.** Either party may terminate this Agreement upon written notice if the other party has breached a material term of this Agreement and has not cured such breach within thirty (30) days of receipt of written notice from the non-breaching party specifying the breach. Either party may terminate this Agreement if (i) the other party has a receiver appointed for it or its property; (ii) the other party makes an assignment for the benefit of creditors; (iii) any proceedings are commenced by, for or against the other party under any bankruptcy, insolvency or debtor's relief law; or (iv) the other party is liquidated or dissolved.

10.4 **Failure to Pay/Licensee Conduct.** Licensor may suspend or terminate Licensee's access to the Licensor Solution, at Licensor's sole option, with notice to Licensee, if: (i) any payment is delinquent by more than ten (10) days after notice of late payment from Licensor and such suspension or termination shall continue until payment of all amounts owed are received, or (ii) if Licensee breaches Section 5.3 (Compliance with Laws) and such suspension or termination will continue until the applicable issue is resolved.

10.5 **Effect of Termination.** Licensor shall not be liable to Licensee or any third party for Licensor's suspension or termination of Licensee's access to, or right to use, the Licensor Solution as such termination or suspension is authorized under this Agreement. Upon termination or expiration of this Agreement, Licensee will be obligated to pay the balance due of any amounts owed to Licensor accruing during the term of this Agreement. Upon the effective date of expiration or termination of this Agreement for any reason, whether by Licensee or Licensor, (i) Licensee's right to access and use the Licensor Solution shall immediately cease, (ii) Licensee's access to the Licensor Solution will terminate and (iii) Licensee shall cease accessing and using the Licensor Solution and Licensor may take such actions to preclude such access and use.

10.6 **Survival.** The following Sections of this Agreement shall survive the termination of this Agreement: Sections 6 (Fees and Taxes), 9 (Ownership) 10 (Term and Termination), 11 (Confidentiality), 13 (Warranty Disclaimer), 14 (Indemnification), 15 (Limitation of Liability), and 16 (General).

11. CONFIDENTIALITY.

11.1 Obligations. Each of the parties agrees to maintain in confidence any non-public information of the other party, whether written or otherwise, disclosed by the other party in the course of performance of this Agreement that a party knows or reasonably should know is considered confidential by the disclosing party ("Confidential Information"). The parties hereby agree that Licensor's Confidential Information includes the terms and conditions of this Agreement, and any discussions related thereto as well as the Licensor Solution. The receiving party shall not disclose, use, transmit, inform or make available to any entity, person or body any of the Confidential Information, except as a necessary part of performing its obligations hereunder, and shall take all such actions as are reasonably necessary and appropriate to preserve and protect the Confidential Information and the parties' respective rights therein, at all times exercising at least a reasonable level of care. Each party agrees to restrict access to the Confidential Information of the other party to those employees or agents who require access in order to perform hereunder, and, except as otherwise provided, neither party shall make Confidential Information available to any other person or entity without the prior written consent of the other party.

11.2 Exclusions. Confidential Information shall not include any information that is (i) already known to the receiving party at the time of the disclosure; (ii) publicly known at the time of the disclosure or becomes publicly known through no wrongful act or failure of the receiving party; (iii) subsequently disclosed to the receiving party on a non-confidential basis by a third party not having a confidential relationship with the other party hereto that rightfully acquired such information; or (iv) communicated to a third party by the receiving party with the express written consent of the other party hereto. A disclosure of Confidential Information that is legally compelled to be disclosed pursuant to a subpoena, summons, order or other judicial or governmental process shall not be considered a breach of this Agreement; provided the receiving party provides prompt notice of any such subpoena, order, or the like to the other party so that such party will have the opportunity to obtain a protective order or otherwise oppose the disclosure.

11.3 Destruction or Return of Confidential Information. Upon expiration or termination of this Agreement for any reason, each party shall promptly return to the other party, or destroy, as the parties agree, all copies of the other party's Confidential Information. All copies, notes or other derivative material relating to the Confidential Information shall be promptly retrieved or destroyed, as agreed, and no such material shall be retained or used by the receiving party in any form or for any reason.

12. UPTIME. Licensor will use commercially reasonable efforts to have the Licensor Solution available to Licensee 99.5% of the time, measured monthly, excluding downtime for scheduled maintenance and force majeure events. In the event, that the Licensor Solution is not available to Licensee, Licensee will notify Licensor and Licensor will use commercially reasonable efforts to solve problems or issues with the Licensor Solution to enable Licensee to access the Licensor Solution. The foregoing shall be Licensor's sole and exclusive obligation and Licensee's sole and exclusive remedy in the event, that the Licensor Solution is not available to Licensee. Licensor will not have any obligations to Licensee in the event, that the Licensee's inability to access the Licensor Solution is the result of a failure or problem with equipment, software or services owned, operated or provided by Licensee or by any third party.

13. WARRANTY DISCLAIMER. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, LICENSOR AND ITS LICENSORS AND SUPPLIERS EXPRESSLY DISCLAIM ALL, AND MAKE NO, WARRANTIES (WHETHER EXPRESS, STATUTORY, IMPLIED OR OTHERWISE ARISING IN LAW OR FROM A COURSE OF DEALING OR USAGE OF TRADE), INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT OF THIRD PARTY RIGHTS. LICENSOR DOES NOT WARRANT THAT THE LICENSOR SOLUTION WILL MEET LICENSEE'S REQUIREMENTS OR THAT THE OPERATION OF THE LICENSOR SOLUTION WILL BE UNINTERRUPTED OR ERROR-FREE.

14. INDEMNIFICATION.

14.1 Licensor. Licensor shall defend, or at its option settle, any third party claims or suits against Licensee based on a claim that the Licensor Solution infringes any patent issued as of the Effective Date or any copyright or trade secret; and Licensor shall pay any final judgment entered against Licensee in any such claim or suit or Licensor agreed to settlement amount; provided (a) Licensor is promptly notified by Licensee in writing of such claim or suit, (b) Licensor or its designee has sole control of such defense and/or settlement, and (c) Licensee gives all information and assistance requested by Licensor or such designee at Licensor's expense. To the extent that use of the Licensor Solution is enjoined or if Licensor believes there is a likelihood of an injunction, Licensor may at its option either (i) procure for Licensee the right to use the Licensor Solution, the Licensor Library or the Licensor Widget, (ii) replace the Licensor Solution with other suitable solution, or (iii) terminate this Agreement and refund to Licensee the Fee(s) paid by Licensee during the three (3) month period prior to such termination. Licensor shall have no liability under this Section or otherwise to the extent a claim or suit is based upon the modification of the Licensor Solution by any person or entity other than Licensor or the use of the Licensor Solution in combination with software or hardware not provided by Licensor. The terms in this Section shall be Licensee's sole and exclusive remedy in connection, with third party claims of infringement.

14.2 Licensee. Licensee shall defend, or at its option settle, any third party claims or suits against Licensor based on a claim that the Transaction Data or any transactions by Licensee using the Licensor Solution (except for claims for which Licensor is to provide indemnification under Section 14.1) ; and Licensee shall pay any final judgment entered against Licensor in any such claim or suit or Licensee agreed

to settlement amount; provided (a) Licensor is promptly notified by Licensor in writing of such claim or suit, (b) Licensee or its designee has sole control of such defense and/or settlement, and (c) Licensor gives all information and assistance requested by Licensee or such designee at Licensee's expense.

15. **LIMITATION OF LIABILITY.**

15.1 **Limitation on Direct Damages.** IN NO EVENT SHALL LICENSOR'S OR MMPI'S AGGREGATE LIABILITY, IF ANY, ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT EXCEED THE FEES PAID BY LICENSEE IN THE TWELVE (12) MONTH PERIOD PRIOR TO CLAIM, WITHOUT REGARD TO WHETHER SUCH CLAIM IS BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY OR OTHERWISE, LESS, IN ALL CIRCUMSTANCES, ANY AMOUNTS PREVIOUSLY PAID (AS OF THE DATE OF SATISFACTION OF SUCH LIABILITY) BY LICENSOR TO LICENSEE IN SATISFACTION OF ANY LIABILITY UNDER THIS AGREEMENT.

15.2 **Waiver of Consequential Damages.** IN NO EVENT SHALL LICENSOR OR MMPI OR THEIR SUPPLIERS BE LIABLE FOR ANY INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF DATA OR LOSS OF PROFITS, WITHOUT REGARD TO WHETHER SUCH CLAIM IS BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY OR OTHERWISE, EVEN IF LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND EVEN IF A LIMITED REMEDY SET FORTH HEREIN FAILS OF ITS ESSENTIAL PURPOSE.

15.3 **Essential Purpose.** Licensee acknowledges that the terms in this Section 15 are essential bases of the bargain described in this Agreement and that, were Licensor to assume any further liability, the Fees would out of necessity, be set much higher.

16. **GENERAL.** Licensor may subcontract to third parties some or all of Licensor's obligations under this Agreement. All notices to a party shall be in writing and sent to the addresses specified in above or such other address as a party notifies the other party, and shall be deemed to have been duly given when received, if personally delivered; when receipt is electronically confirmed, if transmitted by facsimile or email; the day after it is sent, if sent for next day delivery by recognized overnight delivery service; and upon receipt, if sent by certified or registered mail, return receipt requested. This Agreement may not be assigned or transferred by Licensee, including without limitation, by merger, operation of law or otherwise, without Licensor's prior written consent. Any assignment in derogation of the foregoing is null and void. Licensor may freely assign or transfer this Agreement. This Agreement shall inure to the benefit of each party's successors and permitted assigns. This Agreement, together with all addenda, schedules, and exhibits, constitutes the entire agreement between the parties and supersedes all prior or contemporaneous agreements and understandings between the parties relating to the subject matter hereof. The failure of Licensor to require performance by Licensee of any provision hereof shall not affect the full right to require such performance at any time thereafter; nor shall the waiver by Licensor of a breach of any provision hereof be taken or held to be a waiver of the provision itself. Except as otherwise provided herein, this Agreement may be amended or superseded only by a written instrument signed by both parties. This Agreement shall be governed by the laws of the state of California, excluding its conflict of laws rules. Any provision of this Agreement held to be unenforceable shall not affect the enforceability of any other provisions of this Agreement. Neither party shall be in breach of this Agreement if its failure to perform any obligation under this Agreement is caused by events or conditions beyond that party's reasonable control, including, without limitation, acts of God, civil commotion, war, strikes, labor disputes, third party Internet service interruptions or slowdowns, vandalism or "hacker" attacks, acts of terrorism or governmental demands or requirements ("**force majeure events**"). Pre-printed terms and conditions on or attached to any Licensee purchase order or other document shall be of no force or effect.

17. **MARKETING.** Licensor may use Licensee's name as part of a general list of licensees and may refer to Licensee as a user and licensee of the Licensor Solution in its general advertising and marketing materials.

By signing below, you represent that you are authorized to sign on behalf of the applicable party.

Licensee:_____	Licensor: Adora POS, LLC
Name:_____	Name: Sharli Younan
Title:_____	Title: President
Signature:_____	Signature:_____

EXHIBIT A

Target Activation Date 4/27/2018

Description of the Licensor Solution: Adora POS web based Software Service version 1.0

Fees and Payment Terms:

Initial Software License Fee – includes one-time hardware installation

ONGOING FEES:

____ Online Ordering Fee	1-50 orders $1.00 per order per month 51-150 orders $0.75 per order per month 151+ orders $0.50 per order per month
____ Software Service Fee	$110.00 per month
____ Backup Wireless Internet	$ 15.00 per month

Software Service Fee covers software code updates and basic support as outlined in Section 4. It does not include menu pricing, coupons or coupon updates, employee data or other in-store data. In-store data is managed in the location by the franchisee/owner/manager.

Other Ongoing Fees-

____ Travel time	$60.00 per hour
____In-store service	$120.00 per hour
____Hardware removal prior to installation	$500.00
____Switching Internet Service Provider	$200.00

Payment Terms:

Payments will be made by wire transfer in immediately available funds to Licensor's designated bank account or by deduction by Adora POS from Licensee's bank account through ACH transfer

Initial Term: 3 years commencing on the actual Activation Date.

EXHIBIT B

HARDWARE PRICE LIST

Register/Phone Terminal computer Asus A4110 All-in-one computer
Dispatch Printer Epson TM-T20 thermal printer with Ethernet interface, Auto-Cutter
Receipt Printer Epson TM-T20 thermal printer with USB interface, Auto-Cutter
Kitchen Printer Epson TM-U220B, Ethernet E03, Auto-Cutter and Auto Status, AC Adapter
Local Server Asus Local Server EB1007P-B0040 With Solid State Disk
Cash Drawer APG cash drawer
Cash Drawer Cable APG cash drawer cable
Networking Switch TP-Link 16-port Gigabit network switch
Router Ubiquiti VPN Router
Report Printer Brother Laser Printer
Office Computer All in one PC
Caller ID Device Caller ID Box 4-Line Ethernet interface

EXHIBIT C

Register/ Phone terminal

- **Operating System**
  Windows 7 Pro or Windows 8.1 Pro or Windows 10
- **Display**
  1366 x 768 or higher resolution,
- **Touch Screen**
  Multi-touch
- **Processor**
  Intel® Celeron® J3160 Processor, Intel® Core i3, Intel® Core i5, Intel® Core i7
- **Memory**
  4 GB or higher
- **Storage(Hard Drive)**
  320GB or higher SATA OR SSD
- **LAN**
  10/100/1000 Mbps
- **Side I/O Ports**
  4 x USB
- **Accessories**
  Keyboard (Wired, USB)
  Mouse (Wired, USB)

Dispatch Printer

- **Printer Method**
  Direct Line Thermal
- **Code Pages**
  ESC/POS™
- **Interface**
  Ethernet
- **OS Compatibility**
  Windows

Receipt Printer

- **Printer Method**
  Direct Line Thermal
- **Code Pages**
  ESC/POS™
- **Interface**
  USB or Ethernet
- **OS Compatibility**
  Windows

Kitchen Printer

- **Printer Method**
  Two Color Print Capability Impact Dot Matrix
- **Code Pages**
  ESC/POS™
- **Interface**
  Ethernet (direct TCP/IP printing)
- **OS Compatibility**
  Windows

Cash Drawer
Any cash drawer with printer driven interfaces

Networking Switch
Any 16 port gigabyte switch.

Report Printer
Any windows compatible laser printer with network interface.

ROUTER & CALLER ID DEVICE MUST BE EXACTLY AS LISTED IN EXHABIT A

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Mountain Mike's Pizza, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. If Mountain Mike's Pizza, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified in Exhibit E.

The franchisor is Mountain Mike's Pizza, LLC, located at 24 Corporate Plaza, Suite 100, Newport Beach, CA 92660. Its telephone number is (949) 438-1201.

The franchise sellers for this offering are Jim Metevier, 24 Corporate Plaza, Suite 100, Newport Beach, CA 92660, (949) 438-1201, _____ *{insert name and contact information for Development Agent and its principals/employees}*, and: _____ _____ *{complete only if applicable}*.

Issuance Date: April 12, 2019

MMP authorizes the respective state agents identified on Exhibit E to receive service of process for it in the particular states. I received a disclosure document from Mountain Mike's Pizza, LLC dated as of April 12, 2019, that included the following Exhibits:

A. Financial Statements
B. Franchise Agreement
C. Collateral Assignment of Lease
D. Principal's Agreement
E. List of State Agencies/Agents for Service of Process
F. Operations Manual Table of Contents
G. List of Franchisees
H. Bank Account Debit Authorization
I. List of Franchisees Who Left System
J. Renewal Rider to Franchise Agreement
K. Franchisee Representations
L. Adora Point-of-Sale System Service (SaaS) Agreement

Date	Prospective Franchisee [Print Name]
(Date, Sign, and Return to Us)	Prospective Franchisee [Signature]

After signing and dating the Receipt, you may return it to us (to the attention of David M. Browne) by sending us the original via overnight delivery or regular mail to our address above or by emailing a scanned copy to dbrowne@mountainmikespizza.com.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Mountain Mike's Pizza, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. If Mountain Mike's Pizza, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified in Exhibit E.

The franchisor is Mountain Mike's Pizza, LLC, located at 24 Corporate Plaza, Suite 100, Newport Beach, CA 92660. Its telephone number is (949) 438-1201.

The franchise sellers for this offering are Jim Metevier, 24 Corporate Plaza, Suite 100, Newport Beach, CA 92660, (949) 438-1201, _____ *{insert name and contact information for Development Agent and its principals/employees}*, and: _____ _____ *{complete only if applicable}*.

Issuance Date: April 12, 2019

MMP authorizes the respective state agents identified on Exhibit E to receive service of process for it in the particular states. I received a disclosure document from Mountain Mike's Pizza, LLC dated as of April 12, 2019, that included the following Exhibits:

A. Financial Statements
B. Franchise Agreement
C. Collateral Assignment of Lease
D. Principal's Agreement
E. List of State Agencies/Agents for Service of Process
F. Operations Manual Table of Contents
G. List of Franchisees
H. Bank Account Debit Authorization
I. List of Franchisees Who Left System
J. Renewal Rider to Franchise Agreement
K. Franchisee Representations
L. Adora Point-of-Sale System Service (SaaS) Agreement

Date	Prospective Franchisee [Print Name]
(Date, Sign, and Keep for Your Own Records)	Prospective Franchisee [Signature]